

FT Weekend

**A UK president?**

No other would-be prime minister has couched a campaign in such a personality-cultish way.

Page I

**Lunchtime orator**

'Jackson's conversation seems impersonal. But his eloquence grows and is gripping.'

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FT Weekend

**Tea and rifles**

'Hospitality begins with a cup of tea. But you might then be offered a replica Kolashnikov.'

Page IV

**Clam bake day**

'A good idea on a hot summer day also occurs to the other 30 million people living in greater Tokyo.'

Page XXIV

Telefónica in BT, MCI link

Deal would shift balance of power in global telecoms

By Alan Cane and Tom Burns in Madrid

Telefónica, Spain's national telecommunications operator, yesterday announced a strategic alliance with British Telecommunications and MCI of the US that could radically alter the balance of power in the global telecoms industry.

The announcement immediately led to a demand by Unisource for the Spanish company to withdraw. Unisource is the European telecoms alliance in which Telefónica has a 25 per cent stake. Telefónica's departure would weaken Unisource, the vehicle chosen by AT&T, the largest US telecoms group, to exploit liberalising telecoms markets in Europe.

AT&T said yesterday it "regrets" Telefónica's decision to pursue "their own interests at the expense of their partnership" in the Unisource consortium.

The BT-Telefónica alliance creates a telecoms group with strengths in Europe and Latin America. Mr Juan Villalonga, chairman of Telefónica, said the alliance would be a leader in

New chief's bold moves...Page 23
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world telecoms markets and "the number one company in the Spanish-speaking world".

Sir Iain Vallance, BT chairman, said the strength and reach of the alliance would make it much more attractive to potential partners in the Asia-Pacific region. BT is keen to cement a relationship with NTT of Japan, where it remains comparatively weak.

The deal commits BT to taking a 2 per cent stake in Telefónica for £280m (\$454m), while the Spanish operator will take 1 per cent of BT for the same amount.

In a statement timed to coincide with Telefónica's announcement,

Mr Lars Berg, Unisource chairman, said: "The alliance of Telefónica with BT-MCI is considered to be incompatible with its shareholding in Unisource since it will lead to customer confusion and slow down the opening of the European telecommunications market."

Mr Villalonga argued that the alliance with BT and MCI did not

violate the terms of Telefónica's involvement in Unisource, but said: "We are initiating steps to withdraw from Unisource. I have informed our current partners of this intention and have begun discussions on the conclusion of our arrangement."

Mr Ben Verwaay, chairman of the supervisory board of AT&T Unisource, said: "It is in breach of the terms, the conditions and the spirit of the Unisource alliance."

Unisource appears to have softened its earlier stance when officials threatened Telefónica with court action. Mr Verwaay said yesterday the two groups would look for a solution outside the courts. "I can live with Telefónica's withdrawal from Unisource, but I am disappointed since a large company should be turning its back on Europe," he said, referring to Telefónica's Latin American ambitions.

He added that Unisource was in no hurry to find a new partner and scoffed at suggestions that Siet, the Italian operator, would fill Telefónica's place.

The first development in the new alliance will be the forma-



It's a deal: (from left) BT's Sir Iain Vallance, Juan Villalonga of Telefónica and MCI's Bert Roberts celebrate their companies' strategic alliance reached yesterday in Madrid

tion of a 50-50 joint venture between Telefónica International (Tisa) and MCI to be called Telefónica Panamericana MCI. It will create a pan-American fibre optic network capable of providing customers in the Americas with integrated communication services including voice, data and inter-

net services. Tisa is the leading operator in Latin America. A primary target will be the Brazilian market.

Telefónica will be expected to take a 33 per cent stake in Avantel, a joint venture between MCI and Banamex, a leading Mexican financial services group, which is

the first new competitor to Telmex in Mexico.

Tisa and MCI will merge their Puerto Rican activities on a 50-50 basis to become part of the pan-American joint venture. MCI and Telefónica will co-operate in the US to serve the 28m-strong Hispanic community.

Election rumours hit Paris markets

By David Owen in Paris

Speculation that French president Jacques Chirac is poised to call an early parliamentary election depressed the franc and sent share prices falling on the Paris Bourse yesterday.

The CAC 40 index closed down 67.62 points, or 2.59 per cent, at 2,547.56 after reaching a low of 2,540.79 during the day.

An increasing number of commentators expect Mr Chirac to announce a dissolution of parliament shortly and call a poll in early June.

Mr Eric Chaney, senior economist with Morgan Stanley in Paris, put the probability of an early dissolution of the national assembly at "above 75 per cent". Parliamentary elections are currently scheduled for March 1998.

Mr Chirac, who spent part of yesterday visiting the Louvre museum in Paris, was keeping his counsel. The Elysée Palace described the mounting rumours as "pure speculation".

Liberation, the left wing daily, suggested June 1 as a possible date when the first round of early elections could be held, with the second round coming a week later. Another newspaper, Le Monde, said Mr Chirac would decide over the weekend.

Calling an early election would be a gamble for the right, which has a majority in the national assembly. Recent opinion polls have given conflicting impressions of the likely outcome.

One possible reason for an early poll would be to allow the government to enact any new austerity measures needed to reduce its budget deficit enough to qualify for European monetary union after, rather than before, an election.

Election fever, Page 2
Currencies, Page 9
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Israelis despair as Netanyahu awaits attorney's report

By Judy Dempsey in Jerusalem

If Ester had the chance, she would pack her bags, close her art gallery in downtown Jerusalem and leave the country.

"I've had enough of Netanyahu," she said yesterday as shoppers stocked up for the Sabbath and the Passover holiday.

"He has destroyed the peace process, peace with the Arabs and our international reputa-

Supporters are running out of patience with their prime minister

tion. Tourists are staying away. I don't know what will happen."

Her sense of despair is shared by many Israelis, particularly among supporters of Mr Benjamin Netanyahu, prime minister. They elected him 11 months ago on a platform of peace with security. But a bomb attack on a Tel Aviv café, the killing of six

Israeli schoolgirls by a Jordanian soldier, and the near collapse of the peace process is making some of his staunchest supporters wonder if they made a mistake. Even more so as the government awaits the outcome of a decision by Mrs Edna Arbel, state attorney, on whether to indict the prime minister and

three of his colleagues for abuse of office in the Bar-On scandal. Her decision could either topple the government, leading to new elections, or allow Mr Netanyahu to remain in office. Whatever the outcome, it will distract Israelis from the peace process at a crucial juncture.

"Prospects for peace have been

set back years by Bibi [Mr Netanyahu's nickname]," said Shlomo, a 23-year-old computer programmer.

"I voted for him. But it was not right to build new Jewish housing at Har Homa [in Arad east Jerusalem]. It was bad for peace. And now with this scandal, we will lose more time in

getting the peace process back on track. Bibi won't get my vote again."

Close by, loyal supporters of Likud, Mr Netanyahu's party, put up posters proclaiming, "Bibi, we are with you."

"I've seen the posters," said Ester. "You know, Netanyahu will bounce back if he is not indicted, as if nothing had happened. Now, do you want to buy a painting?"

News General

China maintains growth

China's economy maintained strong growth in the first quarter with gross domestic product up 9.4 per cent compared with the same period last year, according to the government's quarterly bulletin. But larger state-owned enterprises continued to be a drag on the economy, losing Yn19.3bn (\$2.93bn) in the first quarter, 11.8 per cent more than last year. The state sector recorded its worst results in 1996 since the communist takeover in 1949. Page 4

EU threat to Boeing-McDonnell Douglas merger: The European Commission defended its right to effectively block a proposed deal between US aviation companies Boeing and McDonnell Douglas. European competition commissioner Karel van Miert said he had "strong doubts" about the effect the proposed merger would have on competition within the European Union. Page 2; Lockheed chief to step down, Page 24

Terrorists create chaos in UK: Irish Republican Army terrorists yesterday paralysed Britain's road and rail networks, costing the transport industry millions of pounds and temporarily closing businesses in the North of England and the Midlands. Two bombs and a series of security scares closed four railway stations and brought chaos to the M6 motorway. Page 6

Washington feels effects of inertia: As the first Democrat to be re-elected to the US presidency in 50 years, Bill Clinton had bold plans, envisaging in his second inaugural speech a "land of new promise" through radical initiatives. But now there is a sense of inertia in Washington, with congressmen saying they have nothing to do because so few bills have been presented to them. Page 7

Elvis Presley's kitchen

Elvis went into the US army in 1958 and soon bought a kitchen for his entire regiment. It can be found today in Almaty, Kazakhstan, where it continues to serve democracy. In addition to hamburgers and casseroles, in the US embassy kitchen. The King, last spotted piloting a UFO over Topeka, Kansas, would have wanted it that way.

The tale of 'The Hound Dog Hole', Page 3



News Business

Airtouch in \$4.5bn deal

Airtouch, the US's biggest pure wireless telephone company, agreed to buy the cellular operations of local telephone group US West in a transaction valued at \$4.5bn. By lifting some of the debt burden on US West, the deal could help usher in a separate, multi-billion dollar restructuring of the company's cable television partnership with entertainment giant Time Warner. Wall Street analysts said. The manoeuvres come amid a broad realignment in the country's communications and media industries. Page 24

Reshuffle at Aker Maritime: Norwegian offshore engineering company Aker Maritime, formed by the merger last year of Aker's oil and gas technology and maritime subsidiary and Maritime Group, announced an extensive reshuffle of top management. The changes include the assignment of its chairman and chief executive to other jobs. Page 23

US stock market sees recent advance continuing: The US stock market continued its recent advance yesterday. By early afternoon in New York the Dow Jones Industrial Average was at 6,893.12, up 34 on the day and a gain of some 4.7 per cent since the previous Friday's close. The bond markets have also been more buoyant with the 30-year Treasury yielding 7.07 per cent, down from 7.18 per cent at the end of last week. World stocks, Page 21; London stocks, Page 17; Markets, Pages XXII-XXIII

Video shown to court in Co-op case: Andrew Regan, the businessman threatening to launch a \$1.62bn takeover bid for Britain's Co-operative Wholesale Society, has been secretly filmed looking at papers handed to him by one of two senior executives suspended by the retailer. A colour video of the rendezvous in a hotel car park was played in the High Court in London as the society successfully sought an injunction against the use of any of its confidential information. Page 22

Russian company pledges shares for taxes: Norilsk Nickel, the world's second largest nickel producer, has bowed to pressure from the Kremlin over unpaid taxes and agreed to hand over equity as security against the arrears. This is seen as an important victory for Moscow in its struggle to boost revenue collection. Page 24

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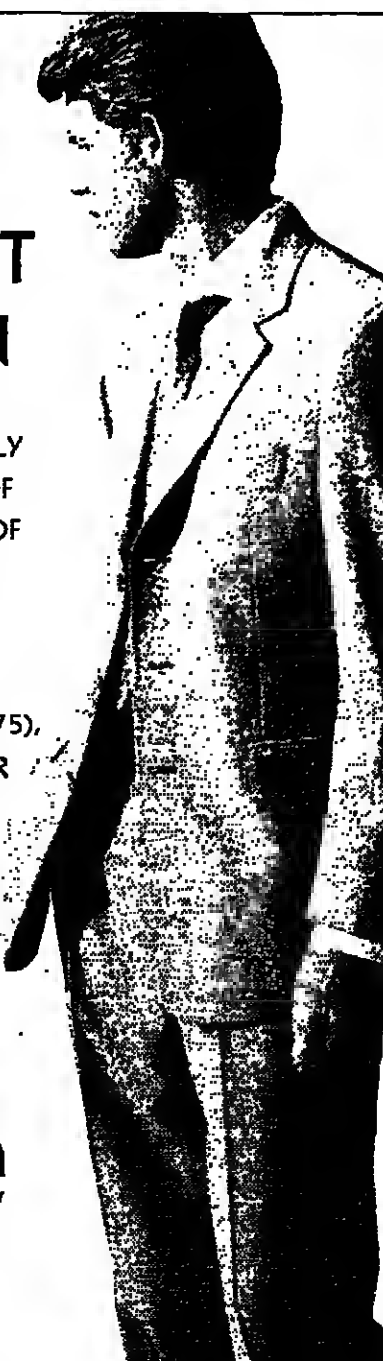
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NEWS: INTERNATIONAL

Hard questions unasked at SNB meeting

By William Hall in Bern

The annual meeting of the Swiss National Bank, one of the world's most conservative central banks, does not normally attract headline billing. But yesterday's meeting was different.

Each year in the Bern casino, shareholders have the right to grill Mr Hans Meyer, the chairman, on any question at all. This year, in the midst of the row about looted Nazi gold, the top brass might have faced some awkward questions. They didn't.

Last month Mr Gian Trepp, an investigative journalist, revealed that the SNB had used looted Nazi gold to mint the Vreneli, Switzerland's favourite gold coin, and stamped an old date on it. More recently, the bank has run into trouble with its new counterfeit-

proof 10-franc note. It carried a picture of Le Corbusier, the famous architect, without seeking the permission of the photographer - who is now seeking compensation.

The SNB is an odd institution. It is an independent central bank which conducts Switzerland's monetary policy. Yet it is owned not by the federal government, but by a mixture of Swiss cantons and over 3,000 private shareholders.

This year, the shareholders had plenty to talk about. The company's share price, which for years has stagnated, has doubled over the last few months. It appears to have been triggered by the SNB's proposal to revalue part of its 2,600 tonnes gold reserves and use the proceeds to set up a SFR7bn (\$4.7bn) foundation which will be a cross between the Ford Foundation and the International Red Cross.

The SNB appears to be one of the world's most undervalued stocks. Even after the jump in the shares, its stock market value is still only SFR17m (\$80m). Given that it controls the world's third biggest gold reserves, valued at over SFR40bn, some investors had begun to take an interest in the SNB's enthusiasm to sever its traditional link between the Swiss currency and gold.

If some of the surplus gold is to be used to help the needy, then why not an extra payout to shareholders who have for years had to accept an unchanged dividend of SFR15 a share? Back-of-the-envelope calculations suggest that the shares could be worth SFR70,000 each, compared with their current price of SFR170.

In the event no corporate predator stood up yesterday to call for

the resignation of the board and its replacement by directors more sympathetic to shareholder interests. Nor did anyone really pose the question of how a supposedly independent central bank could use part of its gold reserves to set up a foundation to repair the country's damaged international image. If the initiative had come from the Swiss Socialist party, rather than the country's central bank, it would have been rejected out of hand.

In fact there were very few questions. Most of the elderly shareholders used their once-a-year chance to make rambling statements about the health of the Swiss economy, the importance of gold, and the dangers of a general strike if inflation was allowed to get out of hand. There was no

uproar when Mr Jakob Schönenberger, president of the SNB's supervisory council, explained that the owners of the bank had no claim on its huge gold reserves.

However, the SNB's real critics do not turn up at its annual meeting. Mr Felix Leutwiler, a former SNB chairman, and Mr Otto Stich, a former finance minister, have already criticised the SNB's plans to revalue its gold, and an increasing number of serious economists are starting to voice their doubts about the planned foundation.

Meanwhile, an unknown critic used large quantities of red paint on Wednesday evening to publicise his message on the walls of the SNB's headquarters in Zurich. It will cost the SNB's shareholders an estimated SFR60,000 to clean up the criticism - more than the cost of yesterday's annual meeting.

Election fever grows in France

By David Owen in Paris

Mr Jean Arthuis, the French finance minister, yesterday delivered a strongly worded assurance that French public spending was under control. His comments came amid mounting speculation that President Jacques Chirac is poised to call a snap parliamentary election.

Speaking after a string of newspaper reports raised new questions about France's ability to reduce its budget deficit enough to qualify for European monetary union, Mr Arthuis said the government would "meet the goal it set itself" and that there was "no reason for worry".

He also reiterated his forecasts for economic growth of at least 2.3 per cent in 1997 - up from 1.3 per cent last year. "The economy is getting better," he said. "And it is going to get better still."

But his words did nothing to calm election speculation, which unsettled financial markets, depressing both the franc and the Paris Bourse. The franc slipped to its lowest level this month against the D-Mark, closing at FF3.368 in yesterday's trading.

Indeed, by emphasising in an earlier statement that the government would not shrink from new austerity measures if they were deemed necessary to hit this year's deficit target of 3 per cent of gross domestic product, Mr Arthuis had even added fuel to the fire.

One line of reasoning for bringing the poll forward from March 1998 to early June, as some French newspapers are suggesting is now likely, would be that the government would rather enact such unpopular measures just after, rather than just before, an election.

An early election would

also ensure that campaigning did not coincide with the period when the countries qualifying for the single European currency are expected to be chosen.

Calling an early election would nevertheless be a gamble for the right, which currently has an extremely comfortable majority in the national assembly. Recent opinion polls have given conflicting impressions of the likely outcome, in effect suggesting that a tight contest could be in prospect.

President Chirac, who spent part of yesterday at the Louvre museum in Paris, was yesterday keeping his counsel. The Elysée Palace said the rumours were "pure speculation".

Libération, the leftwing daily, yesterday mentioned June 1 as a possible date when the first round of early elections could be held, with second round coming a week later. Le Monde said Mr Chirac would make up his mind over the weekend.

Another possibility running the rumour-mill in recent days has been that the president might opt for a reshuffle that could be used to foster a rapprochement with supporters of Mr Edouard Balladur, the former prime minister and defeated presidential candidate. Most commentators now believe that a snap poll is more likely, however.

Mr Arthuis said the country's budget deficit up until the end of February was FF17.6bn (\$3.03bn) less than at the same time last year, with indications that the deficit at end-March would be about FF18bn better than at the same point in 1996.

His comments followed newspaper reports suggesting the finance ministry had forecast that the deficit could reach 3.8 per cent of GDP in 1997.



Symbolising hopes of economic recovery, a magical swallow adorns posters of the Euro-left in Sofia

Bulgarians prepare to vote for painful economic reform

Conservatives tipped to win today's election are expected to bring in pro-market measures to shore up the ailing economy

Bulgaria's long-suffering voters are expected to give the conservative Union of Democratic Forces a mandate to implement painful economic reforms in today's general election.

A pro-UDF caretaker cabinet, appointed two months ago by President Petar Stoyanov to prepare early elections, has already pulled Bulgaria back from the brink of economic and financial collapse.

Last week, the International Monetary Fund approved a \$650m loan package, which calls for setting up a currency board system to run a tight monetary and foreign exchange policy and for faster structural reform, including large-scale privatisation.

A low-key election campaign has helped reduce political tensions caused by 30 days of daily street demonstrations in Sofia in January and February. The protests, led by students and striking workers, triggered the election by preventing the Socialists from forming a government to complete the second half of their four-year term.

The pro-market government, led by the caretaker prime minister, Mr Stefan Sofianski, the popular mayor of Sofia, has made progress towards restoring confidence. The lev, which fell to almost 3,000 to the US dollar, has stabilised at a level of about 1,500.

Prices for petrol were raised to prevent domestic shortages caused by widespread smuggling to neigh-

bouring countries, and goods have returned to shops and street stalls.

An opinion poll by Gallup International, published yesterday, gave the UDF and its coalition partners, the People's Union and the Agrarian party, 54 per cent of the vote, to just 24 per cent for the ex-communist Bulgarian Socialist party.

Two smaller parties are expected to reach the 4 per cent threshold needed to secure representation in the 340-seat parliament. Euro-left, a new party formed by Socialist dissidents, was predicted to win 6.5 per cent of the vote. The Alliance for

part of the economy.

"We face very strong opposition from these economic groups. They have criminalised both the state administration and the management of state enterprises. In the past year alone, their activities may have cost the state as much as \$1bn in lost revenues," he says.

Bulgaria's economic transition has lagged behind other ex-communist countries as successive governments have postponed reform in order to avoid its political cost.

The UDF missed a crucial opportunity to launch the reform process during its

run up by loss-making state enterprises and the dubious activities of the holding companies and wiped out a sizeable percentage of domestic savings - plunged the country into economic chaos.

Bulgaria's annual inflation rate soared to more than 300 per cent last year and gross domestic product fell by 10 per cent.

It will take considerable time for the Socialists to recover from the disastrous effects of their last two years in power. Their support now appears to be mainly confined to elderly people still loyal to communism and the rural population.

Mr Georgi Parvanov, the 40-year-old historian who emerged as the Socialist leader after a divisive party congress last December, says: "We have to rejuvenate the party. I think we resemble other socialist parties as far as ideology is concerned but we have to modernise our style in order to attract younger people."

However, younger voters may find the new Euro-left party, led by Mr Alexander Tomov, a former deputy prime minister who defected from the Socialists three years ago, more attractive. The party symbol of a white swallow, recalling a popular story about a Bulgarian farmer who searched for the miraculous bird in order to cure his sick daughter, is seen to reflect hopes of a swift economic recovery.

Kerin Hope and Theodor Troev

Shadowy groups that control much of the economy may have cost the state \$1bn in lost revenue

National Salvation, a bizarre coalition of ethnic Turks, monarchists, republicans and environmentalists is projected to win a similar percentage.

The UDF leader, Mr Ivan Kostov, has succeeded in transforming a fractious coalition of a dozen political groups into a more cohesive party that appears more committed to reform than in the past.

A former finance minister, he says the party's priorities are to speed cash privatisation of large companies through, sales to foreign investors and to crack down on the illegal activities of shadowy financial groups that control a substantial

first term in office in 1991-92 by focusing instead on handing back to its former owners land and property confiscated under communism.

The ex-communist Socialists are held responsible for slowing down privatisation by raising administrative obstacles to foreign investors, while their links with the shadowy holding companies involved in trade, banking and insurance activities are blamed for delaying plans to modernise the banking system, improve tax collection and overhaul the customs service.

A banking crisis last year - which saw 14 Bulgarian banks collapse under a burden of non-performing debt

INTERNATIONAL NEWS DIGEST

Prodi suffers budget blow

Mr Romano Prodi, the Italian prime minister, yesterday suffered an embarrassing setback when a parliamentary budget commission voted against his centre-left government's supplementary 1997 budget.

The L15,500bn (\$9.13bn) mini-budget was unveiled last month and is a crucial component of Italy's efforts to join the first wave of countries in European economic and monetary union, due to begin in 1999.

The supplementary budget, which has been attacked by both the right-wing opposition and Italian industry, was defeated by one vote in the House of Deputies budget commission. It will now go to the full chamber, where the government is expected to turn the issue into a confidence vote.

Paul Bevis, Milan

Romania to privatise banks

The Romanian parliament yesterday passed a law for the privatisation of the troubled state banking sector. The IMF Board, meeting in Washington next week, is now expected to give its approval for new loans. The Fund and the World Bank have both made banking reform and privatisation important requirements for the granting of new loans and the resumption of suspended ones. The six state banks account for more than three quarters of assets in the total banking sector and have played an important political role. The new law allows them to make share issues and to sell the stocks held by the State Property Fund, currently the majority shareholder and overseer of the privatisation process.

The bill was drafted in 1995, but was twice rejected by parliament. Western analysts believed that a key reason for this was that, despite promises to international bodies, the administration of President Ion Iliescu was less than enthusiastic about surrendering control over the banks, with their tremendous power to influence politics and elections.

Anatol Lieven, Bucharest

Germans to invest in railways

Deutsche Bahn, the German railway system, will spend DM42.4bn (\$24.6bn) on track improvements and extensions between 1998 and 2002, according to plans sent to parliament by the Bonn transport ministry.

Mr Matthias Wissmann, the transport minister, said the federal government would provide DM5.4bn a year in the period, which would be supplemented by DM5.4bn from the resources of Deutsche Bahn. Priority will be given to improvements that shorten travel time in eastern Germany, including providing better junctions in Berlin. Other junctions in eastern and western Germany will be modernised and some tracks will be modified to accommodate tilting trains.

Peter Norman, Bonn

Clinton meets HK politician

President Bill Clinton yesterday met Mr Martin Lee and assured the leader of Hong Kong's democracy movement that freedoms "should and must continue" after China takes over in July. Emerging from a 25-minute conversation with the president, Mr Lee said "I have no doubt the United States government will defend Hong Kong's freedoms."

The White House press secretary, Mr Michael McCurry, said, "The president strongly shared the view... that support for rule of law, that press freedoms, freedom of speech, freedom of assembly... should and must continue and that should be seen as a commitment made by the government of China."

Knowing that China is sensitive about the visit, the White House said Mr Lee officially met Vice President Al Gore for 45 minutes - and Mr Clinton only "dropped by" for 25 minutes. But Mr Clinton's appearance, however brief, was intended to send a signal that the US wants Hong Kong's freedoms protected.

AP, Washington

China retaliates over censure

China has cancelled a visit to Europe next month by one of its most senior officials in protest at criticism of its human rights record. Mr Zhu Rongji, senior vice premier in charge of the economy, was to have visited Ireland, the Netherlands, Austria and Luxembourg.

But Dutch and Irish support for a failed resolution censuring China before the UN Human Rights Commission in Geneva prompted the Chinese action. Beijing has also cancelled visits by Dutch officials and suspended official exchanges with Denmark. The Danes co-sponsored the UN resolution.

Tony Walker, Beijing

Finns arrange loan in euros

Finland has underlined its enthusiasm for the planned European single currency by signing a 20-year euro-denominated loan with the European Investment Bank. The loan, equivalent to FIM55m (\$30m), is for the purchase of ice-breakers. Neither the Finnish government nor the EIB has previously signed a loan fixed in euros.

Greg McIvor, Stockholm

Poland confirms fighter plans

Poland's defence ministry has moved to reassure western defence contractors that a tender for a new fighter aircraft will be launched this year. The move follows remarks by Mr Stanislaw Dobrzanski, the defence minister, this week that procurement decisions could be postponed for five years.

The ministry said yesterday that 250 fighters would be needed. Possible suppliers include Sweden's Gripen, McDonnell Douglas, Lockheed Martin and Dassault. The Poles are under pressure, especially from the US suppliers, to make a speedy decision.

Christophor Bobinski, Warsaw

EU agrees Helms-Burton deal

European Union member countries formally agreed yesterday to a deal to end a transatlantic row over US anti-Cuba legislation. The European Commission said all 15 EU countries had agreed to a plan that would end a disputes panel at the World Trade Organisation (WTO) over the Helms-Burton act. The act has angered Washington's trading partners because it threatens non-US businesses with interests in Cuba.

The European Commission and Washington agreed last week to negotiate a compromise under which the EU would drop its WTO complaint and work with the US toward a global agreement on protection of expropriated property.

The White House would in exchange seek to change a key provision of the Helms-Burton law barring executives of companies that invest in disputed properties in Cuba from entering the US.

Reuters, Brussels

Film people say: 'Don't cut'

Australian Oscar winner Geoffrey Rush and other top Australian actors and producers such as Nicole Kidman and Scott Hicks yesterday criticised government plans to cut film funding drastically.

A letter to Mr John Howard, the prime minister, signed by actors, producers, directors and industry bodies said the proposed cuts in the 1998/99 budget would cripple the industry and lead to a brain drain to Hollywood.

The government is expected to almost halve the annual A\$140m (US\$100m) funding to Australia's film and television industry, said a spokeswoman for industry union the Media, Entertainment and Arts Alliance.

Reuters, Sydney

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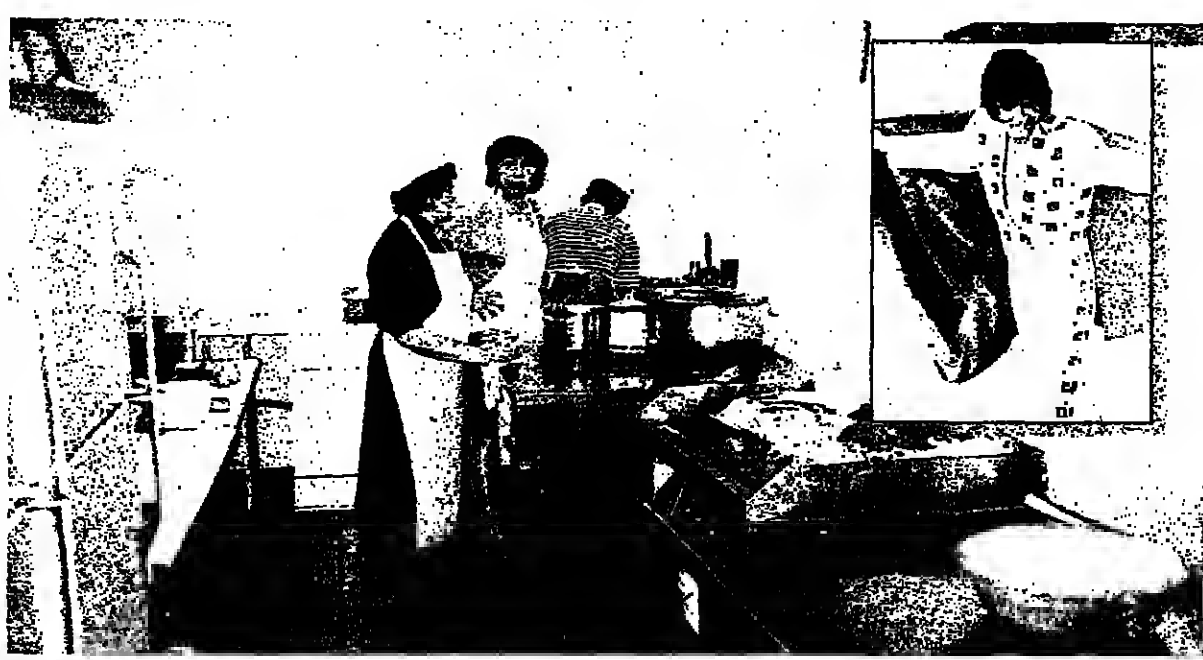
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US embassy's 'Hound Dog Hole' cafe is still cooking up culinary hits, says Charles Clover

The kitchen consists of solid stainless steel counters, refrigerators, ovens, utensils,

mous lack of any kitsch whatsoever. No Elvis thermometers, no framed swatches of sequined jump-



Elvis' kitchen: continuing to serve democracy, and hamburgers, at the US embassy cafe in Almaty. Inset: the King himself

ssippi. Until the future of the kitchen is resolved, things may not be well in the kingdom of Elvis.

**By John Ridding
in Hong Kong**

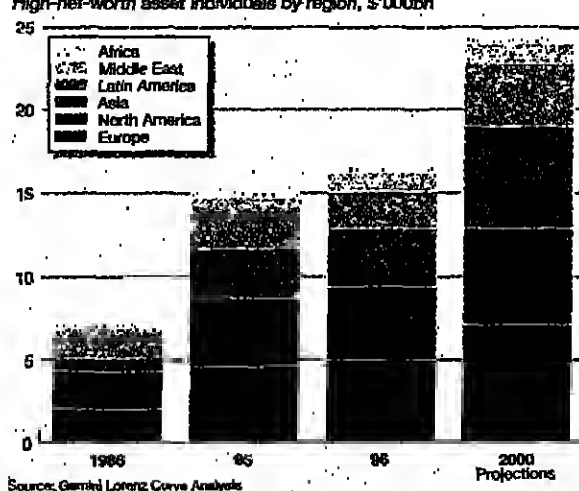
The affair marks a potential blow for Jardine Fleming, which is seeking to recover from a trading scandal last year. That affair, in which a senior investment executive diverted profitable trades to his own advantage, led to fines and disciplinary action by regulators in the UK and Hong Kong.

**By George Graham,
Banking Correspondent**

"Are the rich getting richer and the poor getting poorer? That is a story which is not in the data; if anything, the reverse," he said. Mr Beck said the biggest factors behind sustained growth in wealth was the decisive victory of capitalism around the world and trade liberalisation, which were fuelling entrepreneurship.

The rich get richer...

High-net-worth asset individuals by region, \$'000bn



The amount of money flowing into offshore financial centres has expanded from \$2,300bn in 1989 to \$6,500bn last year. Although Switzerland remains by far the largest centre, its market share has declined over that period, with Luxembourg and the Caribbean island havens gaining ground. The UK has also lost market share as an offshore centre.

"A lot of the growth in the Caribbean has come from the growth in Latin Ameri-

That perception may not be justified. Gemini's survey showed a passive investor might end up paying only about \$18,000 a year in man-

be much more stable than the volatile trading income of investment banks and to require much less capital than traditional lending business. One of the most widely used estimates has been the figure of \$9,600bn produced by Chase Manhattan Bank in conjunction with consultants from the McKinsey group. That estimate was produced in 1993, and it would by now need rounding up by at least 15 per cent, taking it above \$11,000bn.

But the recent rebel sack-
ing of the head of the MIRA

Kengo wa Dondo, the former premier, left for Switzerland, a government spokesman accused him of fleeing the country and plundering state coffers. He surfaced a

By Imogen Mark in Santiago

But the mood in the company town, though angry, was also resigned. The battle was fought and lost almost a year ago, when workers held a two-month sit-in and mobilised families and supporters to march on Santiago to protest at proposed job cuts. They

The closure means the immediate dismissal of 1,100 workers, most of them well below retirement age. The government says there will be jobs for them in public works programmes, in which it plans to invest \$44m over the next three years, and there will also be

The main battle now is likely to be over the terms of redundancy payments, though a few hardliners among the union leadership have warned: "If the government wants war, it can have it." Ms Gladys Marin, general secretary of the once powerful but now much diminished Communist party, called for the workforce to mobilise

But the recent rebel sacking of the head of the MIRA

Michela Wrong

ual blow for *Sartine Fleming*, which is seeking to recover from a trading scandal last year. That affair, in which a senior investment executive diverted profitable trades to his own advantage, led to fines and disciplinary action by regulators in the UK and Hong Kong.

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NEWS: INTERNATIONAL

Macao prepares for crackdown on triads

Specially trained police are just one weapon in the battle against gang violence, writes John Ridding

In the colonial calm of Macao's military club, Colonel Manuel Fernandes signals it is time to get tough.

"These triads are not as big as they think," he says. "They will not be allowed to be kings of society."

His words herald a crackdown on gang violence that has shaken the sleepy Portuguese enclave - a tiny territory on the southern coast of China and one of Asia's biggest gambling centres.

They mark mounting concern in Macao and in China, which regained the territory in 1999, after more than 400 years of Portuguese administration.

However, critics claim the triads are already taking over.

The latest incident involved a triad boss shot by a hitman on a passing motorcycle. The attack joined a list of assaults, many of which have been attributed to war between the notorious 14K and Soi Fong triad organisations.

Mr Jorge Rangel, Macao's acting governor, says tourists and ordinary citizens are not targets in the gang wars. But he worries that the crime wave is damaging Macao's image and threatening tourism, one of the mainstays of the economy.

Taxes on takings from the gaudy casinos and the wallets of regional high-rollers account for almost half of the territory's budget revenues.

"Most of our problems are legal," says Col Fernandes, a security adviser to the government and a Portuguese army officer. Proposed remedies include the use of videos as evidence and permitting judges to hear evidence out of court.

Macao is a very small place - just 430,000 residents and 21sq km. "So people are naturally scared about giving evidence," says one official.

Within the police, a central agency has been established to

co-ordinate Macao's two forces. Specially trained anti-triad units have been formed to tackle the problem.

The problem stems partly from a downturn in the economy and from a rise in battles over gang territory.

New criminal groups have arrived from Hong Kong, Taiwan and the mainland, preying on the dark side of Chinese reunification and bringing more violent methods to the streets of Macao.

"Before, maybe they would set fire to a car," says Mr Joao Severino, editor of the daily Macao Hoje.

"Now they have guns and they shoot." Mainland gangs, he adds, can be in and out of Macao in 20 minutes.

This gangs may also be eyeing the possible end to the gambling monopoly held by Dr Stanley Ho, the tycoon who has built his fortune, and much of Macao, on the back of his casinos.



Macao: Police are concerned that triads will bring an increase in crime to its streets

His monopoly licence expires in 2001. It could be renewed. But if not, Macao's gangsters want to be ready to claim a piece of the action.

Whatever the reason, the underworld has now burst through the surface of Macao society. "Visible actions," is how Mr Rangel describes it. And once

the problem is visible the authorities have to act. The danger is that they get caught in the cross-fire - a danger demonstrated last year when one of the territory's

top casino police was shot twice in the head. "But what choice do we have?" says Mr Rangel. "We have to be involved. We have to control the situation."

Former Nomura president in public apology

By Gillian Tett in Tokyo

Mr Hideo Sakamaki, former president of Nomura Securities, yesterday publicly apologised to the Japanese parliament over payments to corporate gangsters - and blamed the problem on the weakness of internal management controls.

His appearance before parliament - an unusual move for a business leader in Japan - came as the Ministry of Finance reiterated its threats to impose penalties on Nomura, the largest securities company in the world.

The incident has proved an embarrassment to Japanese financial authorities trying to shake off Tokyo's reputation for dubious corporate governance ahead of planned financial deregulation, known as "Big Bang".

But with the controversy now widening to other leading security houses in Japan, some banking analysts yesterday argued that Nomura was unlikely to be singled out for serious government penalties. Yesterday's testimony by Mr Sakamaki, who resigned last month, is the first time that a Nomura official has been forced to defend himself before politicians over the incident.

The last time that a senior securities figure appeared before parliament was in 1981, when another former president of Nomura, Mr Setuya Tabuchi, gave evidence over Nomura's relationship with favoured shareholders. In the latest incident it was alleged last month that two

Nomura directors had paid Kojin Building, a property company connected to a gang of sokaiya - corporate extortionists - to prevent them from disrupting shareholder meetings.

Mr Sakamaki yesterday denied any personal wrongdoing. But he confirmed for the first time that Kojin had been a Nomura shareholder and acknowledged that one of Nomura's board members had been involved in opening an account for the group.

These revelations have already led several Nomura clients to suspend business with the company, and Nomura was recently pushed from its position as the largest trader on the Tokyo Securities Exchange into fourth place.

Further hints of the impact on business may emerge when the company publishes its 1996 fiscal results next week.

However, Mr Paul Heaton, an analyst at Deutsche Morgan Grenfell, said: "We don't think that a worst case scenario - like a six-month suspension for Nomura - will happen now." Mr Hiroshi Mitsuzuka, Japanese finance minister, said yesterday the government would take action against Nomura after the watchdog group, the Securities and Exchange Surveillance Commission, completed its findings. In recent days the Tokyo financial authorities have raided the offices of the other three big security houses, Daiwa, Yamaichi and Nikko, to explore allegations over links with Kojin.

Japan campaigns to bolster weak yen

By William Dawkins in Tokyo

Japan's Finance Ministry yesterday intensified its campaign to reverse the slide of the yen and to persuade foreign investors that they have under-rated the strength of the domestic economy.

Mr Hiroshi Mitsuzuka, the finance minister, said that it was not favourable for the yen to be too weak against the dollar and that the government would counter any excessive currency falls. He blamed the rise in Japan's trade surplus, a source of growing US concern, on the yen's weakness.

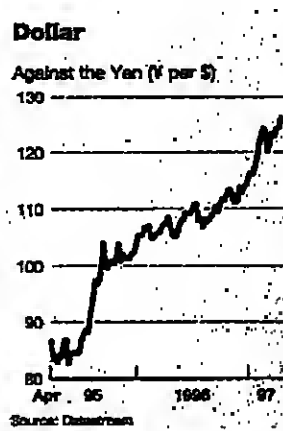
He shared the view of Mr

Hans Tietmeyer, president of the German Bundesbank, that the correction of the formerly weak dollar over the past two years had been completed.

Mr Mitsuzuka's remarks were reinforced by Mr Eisuke Sakakibara, the ministry's director general of international finance, known as Mr Yen for his influence in the currency markets.

In response, the dollar fell slightly in Tokyo to ¥125.99, after having touched a 56-month high of ¥127 last week.

Mr Sakakibara yesterday hinted that the economy was becoming almost strong enough to justify a rise in Japan's record low long-term



interest rates, a factor in the yen's weakness. Gross domestic product in the current fiscal year to

next March might grow by more than the government's 1.9 per cent target, he said.

Corporate investment in plant and equipment was "going well", the banking system's had debt problems were being resolved and property prices had passed the bottom, Mr Sakakibara argued.

"An excess of pessimism" had caused long-term rates to hit a historical low, on investors' assumption that the Bank of Japan would continue to keep its official discount rate at 0.5 per cent - the main influence on short-term rates - indefinitely.

Low long-term rates reflect a belief that short-term rates will also continue low.

"Market expectations that low short-term rates would continue for a long period of time may be wrong," said Mr Sakakibara, stressing that any decision on short-term rates was up to the BoJ.

He warned that Japanese government bond prices were "bubbly" because of this excess of gloom, and could fall. However, investors ignored him and bond prices rose in Tokyo yesterday, bringing the yield on 10-year JGBs down to 2.155 per cent.

A rise in long-term rates would help commercial banks earn higher profits to dispose of bad loans, by widening the spread between

the short-term rates at which they borrow from the central bank and the yield they get from holding bonds.

Mr Sakakibara denied that was his reason for arguing for a rise in long-term rates. Several private sector economists, however, agreed that the economy was stronger than the bond market appeared to believe.

Mr Michael Hartnett, senior economist at Merrill Lynch in Tokyo, said Japan's 3.6 per cent growth in real GDP last calendar year was the strongest of the Group of Seven industrial countries. However, bond investors focus on nominal growth, not adjusted for inflation, he pointed out.

Creative promotions aim to sell Chrysler and GM models in a difficult market

US car groups tempt Japanese buyers

By Michio Nakamoto in Tokyo

With the surge of the dollar against the yen fuelling trade friction between the US and Japan, American car-makers are resorting to creative marketing to boost disappointing sales in Japan.

Chrysler, which has a tough battle persuading Japanese customers to buy some of its models, has unveiled a scheme allowing buyers of its Neon saloon to put off payment for a year.

Chrysler last month launched an offer allowing drivers to own a Neon for a year for about ¥14,000 (\$110) a month. Dissatisfied customers could return the car after the year for no additional cost. Chrysler is also handing out certificates

worth ¥200,000 towards the cost of a Neon.

Meanwhile, Toyota, which sells General Motors' Cavalier model in Japan, is seeking to boost sluggish sales by offering a ¥1m certificate to 100 winners of a quiz game and lottery that can be used in buying a Cavalier.

The certificate slashes the ¥1.81m price of a Cavalier by more than half.

Meanwhile the Big Three US car makers have urged US President Bill Clinton to raise their concerns over vehicle trade when the Japanese prime minister, Mr Ryutaro Hashimoto, visits Washington next week.

The Big Three are concerned that the bilateral vehicle trade deficit may be growing again. They are also unhappy that they have

been able to enlist only 114 new Japanese dealer outlets, below a target of 200 by the end of last year.

Chrysler said it had

launched its Neon campaign in a bid to raise interest among Japanese consumers in the car amid fierce competition in the market.

US cars have not enjoyed the success they were looking for since the agree-

ment almost two years ago between the US and Japanese governments on measures to boost sales of foreign cars in Japan.

The US warned the Japanese government yesterday it must do more to open its car and car parts markets to foreign companies, writes Gerard Baker in Washington.

In a report reviewing efforts by Japan to open up its car market following the two countries' trade agreement in 1995, the administration said progress had been generally positive. But it expressed concern about the pace of deregulation by Tokyo and the rapid increase in Japanese car

imports in the US. The report acknowledged that Japan had made progress towards deregulating the car sector.

But it cited little movement in the growth of car dealerships selling US-made cars and continuing strict regulations in the car parts sector as obstacles towards freer trade. The report noted that sales in Japan by the Big Three US car companies had increased by 34 per cent last year, the first full year of the agreement.

Since its launch in Japan last June, the Neon, which was dubbed a "killer" of Japanese cars because of the value for money it offers, has seen sales stagnate at 1,100 units, against an initial target of 4,000 units in a

20,000 units. The marketing measures appear to be having an effect, however. After the launch of its first campaign, Chrysler sold 650 vehicles in March alone, while Toyota has already signed up 26,000

applicants for the Cavalier lottery in mid-May.

● The Japanese government is to ask the World Trade Organisation to set up a dispute settlement panel over the issue of Indonesia's national car plan, which Japan claims discriminates against foreign car makers.

The Indonesian plan, which awards tax and tariff breaks to a company owned by President Suharto's youngest son, is believed to be partly responsible for a 20 per cent decline in sales of Japanese cars to Indonesia. Japan, the US and the EU have complained to the WTO that the Indonesian policy violates a WTO stipulation that imports cannot be treated differently from locally manufactured products.

China keeps up rapid economic growth rate

By Tony Walker in Beijing

China's economy maintained its strong growth in the first quarter, with gross domestic product up 9.4 per cent compared with the same period last year, according to the government's quarterly bulletin published yesterday.

But larger state-owned enterprises continued to be a drag on the economy, losing ¥19.3bn (\$2.32bn) in the first quarter, 11.8 per cent more than last year. The state sector recorded its worst results in 1996 since the communist takeover in 1949.

Economic growth was marginally lower than the same period last year, down 0.8 percentage points. However, Mr Qiu Xiaobu, chief economist of the State Statistical Bureau, noted that growth was higher than the official target of 8 per cent for the year.

Industry grew by 10.6 per cent, agriculture - the largest component of the economy - by 5 per cent, and the services sector by 8.3 per cent.

China's first-quarter growth, at 9.4 per cent, compared with overall 9.7 per cent GDP growth recorded in 1996.

Price rises continued to slow, with retail prices up just 2.6 per cent on last

year's first quarter. The consumer price index, which includes services, rose 5.2 per cent. The inflation target for the year is 6 per cent compared with 6.1 per cent in 1996.

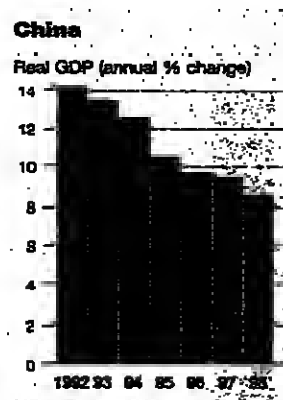
A western economist said China's growth rate was in line with government forecasts, but an inventory glut had distorted GDP growth.

Economists estimate growth would be 1-2 percentage points lower without the build-up of unsold goods which account for about 8 per cent of gross domestic product, according to the Economic Daily.

More than half China's state-owned enterprises under central government control are loss-making. State industries, which underpinned China's socialist economy, now account for less than half industrial output.

Beijing has trumpeted its achievements in cooling an overheating economy and achieving a "soft landing". It has brought inflation down to under 10 per cent from a post-revolution high of more than 20 per cent in 1994 while maintaining economic growth.

China's solid first quarter included strong exports, which jumped 25 per cent compared with the same period last year. Exports



reached \$35.5bn in the three months to March.

Total foreign trade reached \$61.3bn, up 11.6 per cent over 1996. Imports dropped 1.8 per cent to \$28.5bn, leaving a merchandise trade surplus for the quarter of \$6.7bn.

Exports of machinery and electronics rose 22 per cent to \$11.1bn, while imports of the same categories dropped. Imports of capital goods for foreign-funded enterprises were down sharply.

● China's foreign exchange reserves reached \$111bn in February, up from \$105bn at the end of last year. The People's Bank of China, the central bank, expects reserves to grow by at least \$20bn this year.

Westinghouse loses out in power project

By Louise Lucas in Hong Kong

Plans to use Westinghouse equipment in a big power project in China's Shandong province have been ditched following protracted negotiations with the US export credit agency. The consortium developing the project will now use local Chinese suppliers instead.

Work on the 3,220MW plant has been held up for four years and, frustrated by the delays, the consortium of Electricité de France and China Light and Power, Hong Kong's dominant electricity supplier, have opted to jettison generators made by the US engineering company, Mr Peter Tse, general manager for finance of CLP, which is a 29.9 per cent partner in the consortium, said: "The problem with the US Eximbank had been one of excessive delay."

Mr Ross Sayers, managing director, said that the group was confident about using Chinese-made equipment and that critical components were imported from overseas suppliers with whom the Chinese companies had technology alliances. Boilers will

come from the UK.

Financing for the Shandong project remains incomplete despite the introduction of Citic Pacific, the Hong Kong-listed arm of China's main investment vehicle, on to the board of CLP. Citic Pacific paid HK\$16.25bn (\$2.09bn) for a 20 per cent stake in the utility in January, a move which CLP said would improve its opportunities in China.

The consortium is now awaiting approval for the joint venture, which is with China's Ministry of Foreign Trade and Economic Co-operation. However, Mr Sayers signalled that he did not expect the project to be in hand before September.

Other projects being pursued by CLP have encountered obstacles. An agreement in Taiwan has proved inadequate for bankers' requirements, while the political upheaval in India has disrupted negotiations there. But CLP has this week tendered a bid for the Loy Yang privatisation project in Victoria, Australia. CLP yesterday reported a 7.3 per cent increase in total earnings for the six months to March 31, from HK\$2.46bn in the same period the previous year to HK\$2.64bn.

Pakistan looks to donors for support

Consortium meets as anxiety mounts over \$3bn needed for debt repayment by December

By Farhan Bokhari in Islamabad

Pakistan is due to meet its western donors in Paris on Monday in a bid to gather much needed support for its recent economic reforms.

The annual "aid-to-Pakistan" consortium is meeting at a time when Pakistan needs at least \$8bn by December, to meet its debt repayments.

The failure to substantially cut the international trade deficit in spite of last year's 17 per cent devaluation of the rupee has caused fresh anxieties over economic prospects.

According to the latest official estimates, Pakistan's trade gap fell to \$2.62bn for the first nine months of the present financial year (July-June), marginally below \$2.67bn for the same period, a year ago.

Official foreign exchange reserves, up from \$600m last November, are still trailing below \$1bn, enough to finance less than five weeks of imports. Cuts of up to 20 per cent in import tariffs, announced last month, may further increase the trade deficit with an expected surge in imports in the next

few months, independent economists say.

Reductions in corporate and personal income tax rates, taking effect from July, have also raised uncertainty over the future of beleaguered revenue collections, which this year are set to fall substantially below the target of Rs334bn (\$9bn). The government defends its reforms on the grounds that they would induce higher growth and eventually improve economic prospects.

Mr Nawaz Sharif, the prime minister, has also committed himself to sharp reductions in state expenditure. He is expected to announce large cuts in government subsidies to public sector corporations in the next financial year.

"The time has come to make a pledge on the ruins of the destruction of half a century that we will take back our independence. We will be the stones on our stomachs but will get rid of debts," Mr Sharif said.

While the recent reforms have been welcomed by the International Monetary Fund and some other donors, the government is expected to face questions

over its development priorities and plans to increase revenues through efforts such as a 3 per cent retail tax due from July.

Some independent economists are also concerned that this year's consortium is a "non-pledge" meeting, though officials from the World Bank which is organising the event say this is the increasing trend for a number of aid recipients.

However, western diplomats in Islamabad say that up to \$10bn of funds pledged for Pakistan in previous years, still lying unutilised in the aid pipeline, could have created a sense among donors that more pledges would not necessarily help the country.

Part of Pakistan's recent problem has been the cuts in its development expenditure this year, which have shrunk the rupee matching grants that are needed to implement aid projects.

"Donors are concerned that Pakistan has made these cuts to reduce its budget deficit so that it can comply with IMF conditionalities. But now, there's far less money left for development," says a western ambassador in Islamabad.

Six NZ executives charged with fraud

The IRA has admitted responsibility for the previous incidents.

Sir Dryden said yesterday: "Coming on top of the exclusion of spreadable butter from the quota, we find it hard to accept that this sudden and draconian action was not motivated by a desire to restrict trade by non-tariff means."

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Saturday April 19 1997

The cycle is unreppealed

A besetting sin of stock market analysts is that in attempting to rationalise erratic market movements they relentlessly seek out arguments to justify the present level of the indices. Earlier this year, for example, the surge on Wall Street prompted modish talk of the death of the business cycle.

Sadly for investors, at least in the short run, Mr Alan Greenspan, US Federal Reserve chairman, knocked the fashion on the head. A seasoned student of the business cycle, he was not the man to swallow tall stories about the US economy reaching a new dawn, or of inflation giving up its eternal struggle against sound money.

Hence last month's preemptive strike against the inflation that so many had presumed dead. The Fed's interest rate rise has since reduced Wall Street to a state of twitchy nervousness. Suddenly, inflation warriors are back in business.

That is not to say that the 'new dawn' brigade were entirely wrong. There are still some elements of their story which remain true and Mr Greenspan is an important component of the tale. Unlike most central bankers, he has been prepared to raise rates before concrete evidence of inflationary excess has emerged. At the same time global capital flows have been working, through the bond markets, to discipline governments.

And governments themselves have shown a new readiness to tackle their budget deficits. This is most obviously so in the US, where the general government financial deficit, in the OECD's definition, has fallen from 4.4 per cent of gross domestic product in 1992 to an estimated 1.6 per cent last year.

Budgetary squeeze

Japan and much of Europe are now at a similar point to the US back in 1992 and are moving in the same direction. The Japanese finance ministry is inflicting a tough budgetary squeeze on an economy where domestic demand is, at best, sluggish. And the big continental European economies have been straining in difficult circumstances to meet the deficit hurdles of the Maastricht treaty in preparation for monetary union.

With fiscal policy in a non-expansionary mode and monetary policy operating on the economy like a thermostat, economic conditions have been surprisingly stable in the US. This has been reflected across the

world because the recovery in the global economy is unsynchronised.

While the US and UK are in the vanguard of global growth, continental Europe lags, and Japan has picked up only on the basis of very expansionary fiscal policy in 1995-96. Monetary policy is likely to remain accommodating in these two important parts of the world for some time yet. So liquidity abounds in the markets, while overheating remains a remote prospect for the global economy.

Fiscal rectitude

This has been a perfect environment for bond investors; and as long as countries remain committed to fiscal rectitude, their bond markets are unlikely to see serious upsets. The high degree of stability in the present economic cycle has also caused US investors to conclude that corporate profits and dividends are more stable than hitherto. Their perception that the risks in equity investment have dwindled has proved infectious all round the world. Valuations have become stretched in most of the big markets.

The flaw in the bullish argument lies in the fact that the economic cycle has lengthened, rather than disappeared. For a clear indication of how long-standing political and economic forces behind the business cycle are still at work, it is necessary to look no further than the small pre-election boom in the UK. Politics can still destabilise, even if on a much more modest scale than in the 1970s.

So, too, with economics. Where the animal spirits of investors, consumers and especially bankers can cause equal instability. In the British commercial property market, there are once again signs of overheating. A growing number of bankers, including many new entrants from continental Europe, are confronting a shortage of quality business. Loan terms are becoming less demanding. More money is chasing speculative development. The same story can be seen in the US, where activity among lending bankers is becoming more feverish.

Equity markets are in territory where further setbacks cannot be ruled out. Until the interest rate cycle turns up in Japan and continental Europe, the monetary background remains benign. Yet in due course, a crunch will come. The business cycle lives, albeit in slow motion.

Mr John Major's mind is like a "railway siding", according to one of his close cabinet colleagues. "An idea goes in, it stays there for a long time, and then, when you least expect, it pops out again."

This insight explains the essential difference between the Labour and Tory general election campaigns.

Labour's - apart from the occasional slip - pre-planned, pre-packaged, thought through to the last detail. This includes even the moments when Mr Tony Blair, the Labour leader, departs from the prepared text of his speeches and "passionately improvises".

It is designed primarily to reassure voters that - with the exceptions of its constitutional agenda - Labour would build on the foundations laid by the Conservatives over the past 18 years rather than digging them up. And it seems to be working, if its substantial and relatively steady lead in the opinion polls is to be believed.

"Half of me thinks that there is nothing the Tories could have done in this campaign to make it worse for them, because the public seems to have a settled view," says Mr Peter Mandelson, Labour's campaign manager.

Mr Major, by contrast, is a more genuine busker. Conservative Central Office has mapped out a series of attacks - most of which involve a forensic analysis of Labour policies to exploit an absence of detail.

But over the past few days he has been "going with the flow", according to one of his senior advisers. The flow has in fact been more of a tidal wave of seemingly appalling publicity stemming from his party's deep divisions over European monetary union and European Union policy more generally.

It started swelling at the beginning of the week, as Tory candidates distributed their personal election leaflets to voters. Scores ignored the government's official policy on a single currency of retaining the option to join pending the completion of negotiations with the UK's partners. Phrases such as "no surrender" and "I will never vote to abolish the pound" were stamped all over pamphlets.

Mr Major was forced to concede he had no power to prevent Tory candidates saying what they liked on this most contentious of issues, even though it allowed Labour to repeat its charge that he is a weak leader. Mr Blair stresses that he does not tolerate dissent in the ranks.

However, Conservative strategists were convinced the publicity was not all bad. Their polls indicate that Europe is becoming a more important issue for wavering Tories many of whom are strongly or mildly Eurosceptic.

"Whether by design or default, it suits us if the electorate think we are against the single currency," said a minister. "Apart from anything else it introduces an important difference with Labour."

However, the dissent did not stop with backbenchers: ministers started to follow suit, breaking the long-standing convention

Rolling with the party breakers

Major has risked beaching himself over Europe, says Robert Peston



that they are bound by collective responsibility to the government's position. On Tuesday night, the prime minister learned that Mr John Horam and Mr James Paice, two junior ministers, had made clear in their election literature that they oppose monetary union.

"He had to decide whether to sack them," says a minister. "Personally, I think Horam behaved appallingly and should have gone."

Mr Major decided against, fearing Eurosceptics could retaliate by turning their fire on him. Instead, he decided to exploit the media interest in Europe whipped up by his party's internal strife and make the UK's relations with Europe as "the heart and guts" of the battle plan.

"It really was a spur-of-the-moment thing," says one of Mr Major's colleagues. "To be frank, I was shocked that even though we had all known for months that we were likely to be embarrassed by the sceptics' personal manifestos, there was no plan for dealing with them."

Mr Major opted for delivering two messages. One was a principled defence of his so-called "negotiate and decide" policy on Emu, which he made at a press conference on Wednesday morning and in a party political broadcast that evening. In both, he took personal responsibility for the policy, saying he was putting country before party.

The verdict on these performances is mixed, even among his own colleagues. Mr Michael Heseltine, the deputy prime

minister and a perennial optimist, is convinced that "they answered important questions for people".

Both he and the prime minister had been shocked when talking to voters on the doorstep that "lots of people had not grasped we were offering a referendum" on membership of a single currency.

Anyone who saw the broadcast would no longer be in any doubt, because Mr Major pledged he would never decide to give up the pound because the electorate would do that through a plebiscite.

With media attention on Tory turmoil, "Labour's activities were wiped off the screen," said Mr Heseltine. But this was a good thing, he claimed. "It allowed the prime minister to get his message

across on his own terms, uninterrupted by Labour."

Another senior Conservative was less sanguine. "The prime minister appeared to be appealing above the heads of the British people and that of course reinforced the impression that the party is ungovernable," he says. "It was a statesmanlike performance but we need him to be a rotweiler, not a statesman."

However, the EU was now on the election agenda - and it allowed Mr Major to deliver the other message: that Labour was not to be trusted in EU negotiations. In a press conference and in a £400,000 newspaper advertising blitz, he alleged Labour would introduce a trade unionists' charter of damaging employment legislation to the UK through the "back door" of the EU's social chapter.

But then on Thursday Mr Major displayed the "railway siding" side of his mental processes. At yet another press conference, out popped an admission that Tory MPs would probably be allowed to vote according to their consciences if the issue of whether to join a single currency was ever put to them in the House of Commons.

This was something he had been thinking about for some time - two years he later claimed - but it had never been discussed in cabinet. Although Mr Major may have thought it was a positive announcement by reassuring Eurosceptic backbench MPs that they would never be coerced into voting for a single currency, it was probably counter-productive for two reasons.

It meant that once again the media was distracted from his attacks on Labour. Meanwhile Mr Kenneth Clarke, the chancellor, and Mr Heseltine distanced themselves from the initiative. They had not been consulted, they both said, creating the impression that the three most powerful men in the government were not moving in step.

The important question, therefore, as the election contest enters its penultimate week, is whether Conservative divisions over Europe will lead to a trouncing in the election - or whether Mr Major will tap into growing British unease about the EU.

But there is a great risk in moving too far in the Eurosceptic direction. His party's depiction in newspaper advertisements yesterday of Mr Blair as ventriloquist dummy to Mr Helmut Kohl, the German chancellor, has outraged the remaining pro-Europeans in the Conservative party, including the chancellor.

Mr Clarke yesterday said he had "not been consulted about the advertisement in advance of the decision to proceed with it". The implication, which was not denied, is that he was extremely unhappy about it.

As a minister said: "It may be that making the party more Eurosceptic will win us a few votes, but not enough to compensate for a chancellor going nuclear." If the EU issue really blows up, it may be that the shockwaves engulf Mr Major rather than Mr Blair.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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Estonia has a strong political and economic claim to join EU

From Toivo Kloor.

Sir, I was impressed by your survey "Investing in central and eastern Europe" (April 11). It did indeed provide much valuable information on the region and on the way developments are seen from your end. However, I cannot completely agree with some of the comments made by your correspondents.

Your article on the Baltic countries states quite correctly that privatisation is still ongoing in Estonia. It asserts, however - based on the fact that some utilities such as ports, energy suppliers and railroads still remain to be sold - that the transition to a market economy in the country is incomplete. I believe that it is correct to state that very few countries either in western or eastern Europe have put as much

of the economy into private hands as has Estonia. Indeed, the privatisation of leading utilities is quite a novel concept also in the present EU countries.

Your article on EU enlargement ("Hopefuls join EU queue") asserts that while "the Baltic states... have a strong political claim... the EU has never taken in more than three countries at a time". I would in turn assert that not only does Estonia have a strong political claim, it also has a strong claim based on its economic performance. In fact, EU Commissioner Hans van den Broek on April 14 stated in Tallinn that "on the economic front, Estonia's progress has been impressive in restoring stability and building a market economy... It should be well-placed to profit from participation in the

EU's internal market". If the decision on which of the applicant countries should be admitted to the EU in the first wave is made based on objective criteria and not on political preferences Estonia should be among the first countries.

However, the argument that never have more than three been admitted at one time ignores the fact that the last enlargement would have numbered four (if Norway had not turned down membership at the last moment), or even five (if Switzerland had decided to join). Let's not get bogged down by erroneously perceived precedents.

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1180 Brussels, Belgium

Upside of a strong pound

From Mr J. Gore Browne.

Sir, The proposition from Lex greeting us on April 14 under the headline "Sterling woes" is of the doubtful variety.

True, the engineering sector has underperformed in 1997 by comparison to other sectors. But it is debatable whether the UK's engineers are on the back foot: there is only meagre evidence for such a view. The strength of sterling is a two-faced phenomenon. For exporters a strong currency may hurt if they compete exclusively on price, such as British Steel perhaps, but it will be neutral/beneficial for those which compete across the spectrum of economic performance. For example, imports of raw materials and overseas marketing expenses fall rapidly as a result of an appreciating currency (the heavy import penetration was reflected in a massive TV advertising spend by leading foreign importers in the 1960s, 1970s and 1980s, which they could easily afford with the declining cost of sterling purchases).

Raw materials and marketing costs are important determinants of profitability for UK engineering businesses. Moreover, the evidence from the front line is that the overall balance of trade in the UK is improving as a result of a strengthening currency. This may be a reflection of a strong underlying, if shifting, performance by the engineering, manufacturing sectors of the economy.

J. Gore Browne,
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Difficult to understand enthusiasm for this Bible

From Mr Edmund Cannon.

Sir, Craig Raine's article ("A testament to great storytelling", April 12/13) joins a long and monotonous chorus praising the authorised version of the Bible, but it is difficult to tell precisely what he thinks is so good about this translation.

Exhibit A is the New English Bible, which provides a suitable straw man for comparison with the authorised version. In fact, outside of the Alternative Services Book lectionary, this is probably the principal role of the New English Bible today, since virtually no one uses it for anything else. There is a superabundance of good modern trans-

lations, so let us pass on to Exhibits B and C.

Exhibits B and C are the seven sneezes in 2 Kings 4.35, and the amazing line "and the dirt came out" in Judges 3.22. According to Raine, the latter is "an example of writerly (sic) opportunism the irresistible embellishment which is art's tribute to life". We are led to believe that the superiority of the authorised version arises from embellishments "put there by a writer touched in his imagination".

The omission of these phrases in the NEB, however, does not allow us to infer that they are not in the Hebrew and hence embellishments, although it is

the case that the original is obscure at Judges 3.22. (alternatives can be found in the Good News Bible and the New International Version).

At this point the reader might begin to worry that I will go on to criticise Exhibits D, E and so on, but Raine's prolix and mediocre analysis has no further evidence to offer in the AV's favour. We can only wonder at the taste of a man whose favourite story in the bible is one of a king being killed in a lavatory.

Edmund Cannon,
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COMMENT & ANALYSIS

The Olympic torch is struggling to stay alight as funding flops and sharks hit plans for the Sydney games, says Nikki Tait

A flickering flame

Mid-life crisis might be an over-dramatic assessment of Sydney's Olympic effort. Yet three years after the Australian city won the right to host the Olympic Games in 2000, controversy swirls.

The minor hiccup have included a shark attack in February that put a question mark over plans to route the triathlon across Sydney Harbour. But behind the scenes, management upheavals have seen the departure of Mal Hemmerling as chief executive of the Sydney Organising Committee for the Olympic Games (SOCOG).

There has also been growing pressure from the New South Wales auditor-general for more disclosure about the games' costs. Last week, state opposition parties began an attempt to pass legislation that would ensure quarterly reporting.

Meanwhile, a bold attempt to persuade sports fans and investors to fund a new \$595m (\$515m) Olympic stadium, through an offer for sale of units in the venue, has flopped. Two-thirds of the \$4.4m "gold packages", each costing \$10,000 and offering tickets to all stadium events, were left unsold. Construction will

not be affected but four stockbrokers which underwrote the issue must now make up the shortfall.

So is the Olympic spirit beginning to wane? Under Mr Hemmerling's successor, Sandy Hollway, thinks not. A career civil servant who was principal adviser in the late 1980s to Bob Hawke, the former Labor prime minister, he was lured to the organising committee as Mr Hemmerling's deputy last year.

He thinks that when the products of the building programme become more evident and some logistical uncertainties are resolved, the mood will change. "The enthusiasm which followed the winning of the bid has given way to more practical concerns. But the preparations are going ahead. By the time we work up towards the Olympics, people will become very excited."

Of the recent issues, the management question has probably had the most impact. For months, Olympic watchers had sensed tension between Mr Hemmerling, an equable South Australian who made his name running the Adelaide Grand Prix, and Michael Knight, the state government's hard-nosed Olympics

minister. When Mr Hemmerling resigned, there was little doubt that his position had become untenable.

Moreover, his departure was not an isolated incident. Throughout its brief life, the organising committee has had difficulty filling senior positions. It was ousted by private-sector employers for its first two choices of chief executive, and has seen a number of high-profile appointees come and go. When the Atlanta games ended, more than half the top dozen jobs at the organisation were vacant.

Last September Mr Knight took over the organising committee's presidency, and then added responsibility for transport planning. With the minister's hands-on role enhanced, the pace of recruitment picked up.

But accusations quickly followed that the games organisation was becoming "politicised", in a country where politicians are deeply distrusted, this was not a compliment.

Mr Hollway counters that it was the dominance of private enterprise and lack of close government involvement that was blamed for Atlanta's logistical and security problems. Reversion to the Barcelona-type model -

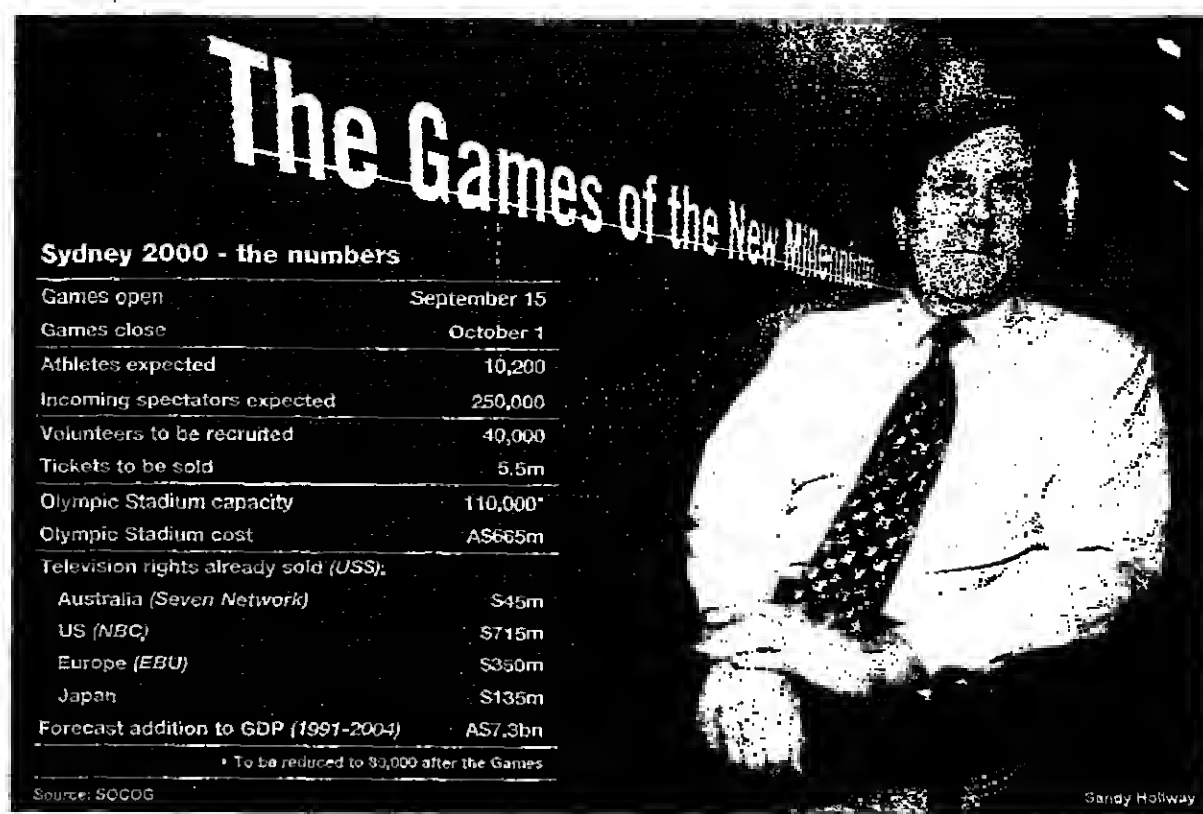
where the mayor co-ordinated public funding - was, perhaps, inevitable.

However, this begs the question what happens if there is a change of government in New South Wales in 1999, when an election is due, and Mr Knight ceases to be a minister. Mr Hollway is not worried. "Governments change anyway, and the structure is in place."

Costs are a less immediate issue, but still a source of concern. The organising committee's budget for staging the games is likely to be revealed this month. Mr Knight has indicated this will project a small surplus of \$520m-\$650m.

Television rights have already been sold, for more than expected, to the US, South America, Australia, New Zealand, Japan and Europe. Income under categories such as ticket sales remains less certain.

The "true" cost of the games clearly includes the hefty building programme, covering everything from sports facilities to transport - much of which is absorbed by the state budget. The official Olympics capital works programme is about \$2bn, but there is some dispute over what should be included - hence demands



Sydney 2000 - the numbers

	September 15
Games open	October 1
Games close	October 1
Athletes expected	10,200
Incoming spectators expected	250,000
Volunteers to be recruited	40,000
Tickets to be sold	5.5m
Olympic Stadium capacity	110,000*
Olympic Stadium cost	A\$665m
Television rights already sold (US\$):	
Australia (Seven Network)	\$45m
US (NBC)	\$715m
Europe (EBU)	\$350m
Japan	\$135m
Forecast addition to GDP (1991-2004)	A\$7.3bn

Source: SOCOG

for more regular disclosure.

The stadium debacle can probably be attributed to a mixture of poor marketing and a complex structure that made the "gold packages" difficult to value. Nevertheless, the swathe of unsold tickets hardly makes the organising committee's impending decision over

ticketing policy any easier.

This policy will probably be decided later this year. But Mr Hollway is confident the committee can hit its revenue targets while still ensuring that the "ordinary Australian" gets the chance of an Olympics seat.

The marketers are making efforts to steer the games

back into smoother waters. For example, the Olympics flag began a nationwide "tour" last week - generating generous TV footage of cheering parades. At Homebush Bay, where many events will be held, the facilities are beginning to be tested, and some such as the aquatic centre - have

been approved. Mr Hollway believes there remains a host of practical challenges, but he adds: "Let me put it positively... if the weather's right and the athletes are happy, if the broadcast and media are happy, and if the people of New South Wales enjoy it even if the trains are full, we've got a success."

Gerard Baker on the lack of leadership in US politics

Par for the course

For President Bill Clinton, it was yet another of those weeks. On Monday, an old business partner was sent to prison for three years for fraud - a light sentence to reflect the fact he had given prosecutors valuable information about the president's involvement in the Whitewater affair.

Later that day, the Democratic National Committee released yet another pile of documents detailing how the party apparently tried to sell favours and even jobs in government to big campaign contributors.

Then, later in the week, came further embarrassment: the president was stood up by Tiger Woods, the 21-year-old winner of last weekend's US Masters golf tournament.



Crisis of leadership: Bill Clinton lacks direction

Mr Clinton had invited Woods, the first black man to win the event, to travel with him to New York for a ceremony to mark the 50th anniversary of Jackie Robinson's debut as the first black professional baseball player. Woods said he had booked a holiday.

The Woods no-show - which the golfer's friends said was not intended as a snub - was a minor setback for Mr Clinton amid the continuing furor over Whitewater and campaign finance. Yet it heightened a feeling that now prevails in Washington: that America's political leaders have lost their grip.

Nor is the malaise confined to the president and his administration. "In Washington today we are witness to two depressing spectacles: a morally bankrupt Clinton White House... and a brain-dead Republican party cowering in the halls of Congress," the conservative columnist William Kristol wrote recently.

Newt Gingrich, once triumphant leader of the Republican revolution in the House of Representatives, is now derided by opponents and political friends.

He too has been weakened by allegations of financial improprieties. Last Thursday

he agreed to pay - with money lent to him by last year's defeated presidential candidate Bob Dole - a fine imposed by colleagues in the House for using a tax-exempt fund to promote his political message.

Yet Mr Gingrich's main problems are not ethical but political. He has outraged many of his supporters in recent months by appearing to abandon the sacred tenets of conservatism for a more moderate tone.

The de facto head of the party in the country should be Trent Lott, the Republican leader in the Senate - but he is another lost leader. Though untainted by scandal, he has failed to impress his personality on Washington and cut a slight figure compared with predecessors such as Mr Dole.

Steve Forbes, a contender for the Republican presidential nomination last year, recently lambasted his colleagues: "The Republicans have no clear vision, no agenda, and no recognised national leadership."

This debility at both ends of Pennsylvania Avenue has created a sense of inertia in Washington. Congressmen say they have nothing to do because so few bills have been presented to them.

In whole areas of government - trade, foreign policy,

the environment - the administration is sitting firmly on its hands. Vacancies remain unfilled among ambassadorships, Federal Reserve governorships and middle and high-ranking government positions.

This is surprising given the energetic ambitions expressed only a few months ago by the leadership in both the White House and Congress.

Having become the first Democrat to be re-elected to the presidency in 50 years, Mr Clinton had bold plans. His second inaugural speech envisaged a "land of new promise" to be opened up by radical initiatives in education, health and welfare.

The Republicans in Congress also had every reason to look forward to the new session. For the first time in 70 years, the Grand Old Party had retained control of both the House and the Senate. It expected to fulfil its "Contract with America" promised in 1994.

The loss of direction and energy since is partly explained by the proliferating scandals.

The president faces continuing turbulence over Whitewater, the failed property development in Arkan-

sas in the 1980s in which he was a partner. The news that James McDougal, Mr Clinton's former business partner, has given revealing evidence was a sign of his growing links with Mr John Reid, the shrewd Scot who has managed Elton John's career since 1971, helping him to become one of the world's wealthiest pop stars.

Six weeks ago Mr Reid was appointed as Lord Lloyd-Webber's personal business manager. His immediate priority is to reverse the decline in the financial fortunes of Really Useful Holdings, the private company which has owned and managed the rights to Lord Lloyd-Webber's musicals for 30 years.

This week Mr Reid held meetings in New York with executives of PolyGram, the Dutch entertainment group which owns 30 per cent of the company (the rest belongs to Lord Lloyd-Webber).

Mr Patrick McKenna, the chairman and chief executive, has been given a fortnight to produce a blueprint for the company's future.

For years, Really Useful was extraordinarily successful. Founded in 1977, it went public nine years later in one of the most flamboyant flotations of the mid-1980s. In 1990, after a series of boardroom rows, Lord Lloyd-Webber took the company private.

It lost its most famous employee that year when Prince Edward resigned to form his own theatrical company. It also gained a new chief executive in Mr McKenna, who had handled Lord Lloyd-Webber's affairs as a partner of the Touche Ross consultancy group.

Mr McKenna is credited with having made a good job of managing the transition to private ownership, not least for selling 30 per cent to PolyGram in 1991 for \$100m. This was slightly more than Lord Lloyd-Webber had paid to buy back the whole group the previous year.

He was well-rewarded for his efforts with a profit-related salary package. Really Useful Holdings is a

When Lord Lloyd-Webber, the composer of award-winning stage musicals such as *Cats* and *Phantom of the Opera*, arrived at Elton John's 50th birthday party last week dressed as a Leyton Orient football fan, it looked little more than a photo opportunity for the paparazzi.

But his presence at the party was a sign of his growing links with Mr John Reid, the shrewd Scot who has managed Elton John's career since 1971, helping him to become one of the world's wealthiest pop stars.

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Really not on song

Alice Rawsthorn on efforts to revive the fortunes of Lord Lloyd-Webber's company



Party animals: the Lloyd-Webbers celebrate with Elton

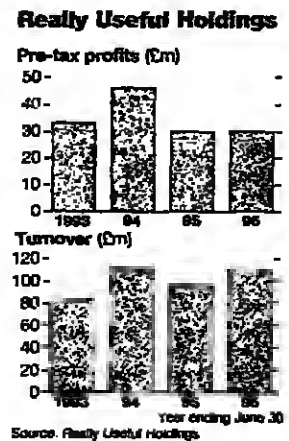
accretive company, but its accounts reveal that his annual remuneration rose from less than £1m in the year he joined the company, to just over £7m in 1994.

The majority of profits come from the Really Useful Group, the company's subsidiary which manages the theatrical rights to Lloyd-Webber productions. Its turnover increased from £31.5m in the year to June 30 1990 to £83.4m four years later, with pre-tax profits rising from £7.3m to £26.4m. The royalties paid to Lord Lloyd-Webber on his personal share of the group's copyrights rose from £9.3m to £19.7m during that period.

However the income from those copyrights has declined recently. Really Useful Group's pre-tax profit fell to £26.1m in 1995 and £21.7m in 1996, with the parent company's pre-tax profits tumbling from £46.4m in 1994 to £30.1m for each of those years. Mr McKenna's

remuneration fell too, but was still over £2m.

When Mr McKenna was made chairman in 1995, he presented shareholders with an ambitious plan to turn the company into a diversified entertainment group. Really Useful Holdings has since toyed with various schemes, including a Las



Source: Really Useful Holdings

Vegas leisure complex, and joining a consortium to redevelop Battersea Power Station in London. Nothing has come of these projects, and the company remains reliant on Lloyd-Webber musicals.

Really Useful Holdings' profits are likely to fall again this year. It will receive substantial publishing royalties from sales of the *Elton* soundtrack album, but *Sunset Boulevard*, its most successful musical of the 1990s, ended its Broadway and West End runs this spring.

That leaves *Cats* and *Phantom of the Opera* on Broadway and the West End, where the company also has a new production of *Jesus Christ Superstar*. These shows are highly popular - *Cats* is Broadway's longest-running with more than 6,000 performances - as are scores of other Lloyd-Webber musicals all over the world.

Yet his attempts to create another hit have been less successful. *Whistle Down The Wind*, the latest effort, failed to transfer to Broadway after opening in Washington. This triggered speculation that the elaborate Lloyd-Webber shows (the "mansions" for the Broadway *Sunset* cost \$1.25m) are outdated at a time when Broadway audiences are turning to hipper, more ascetic musicals such as *Rent* and *Bring In 'Da Funk*.

Lord Lloyd-Webber is now rewriting *Whistle Down The Wind*, and Mr McKenna is trimming overheads at Really Useful Holdings. The group, which employed 155 people a year ago, announced 18 redundancies in London this January. Meanwhile, the composer has charged Mr Reid with finding a long-term solution to the company's difficulties.

Mr Reid recently diversified into stage musicals by forming a company to produce a Broadway version of *Aida*, with music by Elton John and financial backing from Walt Disney. He has a close rapport with PolyGram. Elton John's record company, and has agreed broad objectives for Really Useful Holdings with the Dutch group at this week's meetings in New York.

Mr McKenna has until the end of the month to produce a workable business plan.

Next week will start early at Crest, the UK's electronic settlement system for share deals. On Monday, Crest will begin work at 2am in preparation for the biggest challenge in the new paperless trading system's 10-month life.

When dealing begins in the shares of Alliance & Leicester, the building society converting to a bank, the 2.2m new shareholders will have the chance to sell their shares immediately. If the price surges, many may do so - leading to fears of jammed telephone lines, delayed settlements, disappointed investors who fail to get the best price for their shares and even that the entire paperless trading system will grind to a halt.

"Crest is already running at full pace now and we are only just about getting through," says Mr Glen Cooper, office manager of Walker, Crips, Weddie and Beck, the small private client stockbroker.

The Alliance and Leicester flo-

William Lewis and Christopher Brown-Humes on the tests facing paperless trading

Crest's wave of challenges

tation is only a trial run in comparison with the challenges facing CrestCo, the company that runs the system, later in the year. The first of five mutual organisations floating, it is second smallest of the four building societies and one life insurer which will create 16m new shareholders when they demutualise.

The real crunch will come in June and July when more than 10m people will be given shares in the much larger Halifax and Woolwich building societies and Norwich Union, the life insurer.

Crest has taken a number of steps to prepare itself for the onslaught. Besides next Monday's extra early start, the system will open at 5.30am - an hour earlier than usual - for the next four weeks to give it extra

time to handle the expected flood of share sales. Early opening is likely to be repeated in the summer as the other building societies come to the market. The settlements company has even said it is ready to open on Saturdays if members want it to.

Installation of a new software system has also been accelerated, in a bid to ease queuing problems in the system which have left some smaller stockbrokers trapped for cash while they wait for bargains to be settled.

Brokers had found their cash was being tied up in trades which could not be settled. If that pushed them up against their credit ceilings with their settlement banks, it resulted in their other trades being rejected by the system. The software fix now in operation will set on one

side bargains which cannot be settled, instead of allowing them to gum up the system.

Crest also believes it has largely dealt with other problems which have appeared since its launch last July. For example, last month problems with new software caused severe disruption to the Crest system and caused a backlog of 110,000 unsettled transactions.

But brokers say they are concerned there is nothing to fall back on if it all goes to a halt. "If it all ground to a halt, I have absolutely no idea what would happen," says Mr Cooper of Walker Crips. "There is no plan B as far as I am concerned."

Others say the situation could become similar to the so-called "paper mountain" in 1987 when a huge backlog of unsettled bar-

gains almost closed the stock market. As the volume of transactions increased after threefold after the Big Bang deregulation of the City, back offices were forced to stay open until 9pm most evenings and Sundays to clear backlogs. The crisis led to demands for share certificates to be done away with through a new electronic system - Crest.

Crest acknowledged that things could go wrong this time. "We are talking about a cataclysmic change. It is an immense challenge for the market," the company says. "We are confident but not complacent."

Crest managers are relieved that an unexpectedly high 27 per cent of Alliance & Leicester's 2.2m shareholders are selling their shares immediately through a series of auctions

where trades can be aggregated. "This will go a good way towards easing the pressure on the system," predicts Mr Tom Sheridan, managing director of Barclays Stockbrokers. "It probably means there will be fewer other sellers in the next few weeks."

But Halifax, with 3.5m members, is the one that could cause havoc. Ms Sue Concanon, managing director of Halifax Share-dealing, says the society is making its corporate nominee account as attractive as possible to persuade members not to hold a share certificate. It can then organise an auction-style system for handling immediate sellers.

"If Crest does face meltdown, we could probably find a way to settle with counterparties outside it," she says. "But we don't

have a formal contingency plan."

Registrars are also playing their part. For example, brokers will be encouraged to deliver certificates to the registrars to aggregate dealings before they hit Crest, rather than sending each batch separately to Crest.

Mr Gavin Downs, registration services director at Loyds Bank Registrars, says: "This was the system we employed with the water and electricity privatisations when settlements went through the London Stock Exchange. It worked then and there is no reason for it not to work now."

In spite of these measures, one CrestCo executive conceded privately that a larger building society such as the Halifax coming to the market on Monday would have meant a potential "meltdown".

"We are very lucky that Alliance & Leicester is the first and that we will be able to learn from our mistakes before the mothers of demutualisation are upon us."

CURRENCIES AND MONEY

Up and down

MARKETS REPORT

By Richard Adams

A renewed bout of speculation over the ins and outs of a European single currency caused ups and downs on the foreign exchange markets yesterday.

The US dollar slipped over a penny against the D-Mark after comments by Mr Hans Tietmeyer, the German central bank president, on Thursday that the Bundesbank was not interested in seeing the German currency weaken.

Several peripheral European currencies also suffered from some turbulence against the core European currencies. Reports of a secret deal between France and Germany to thwart Italy's participation in European monetary union swept the market.

The Finnish markka, the Portuguese escudo and the Italian lira were all volatile

against the D-Mark during the day.

The D-Mark ended trading against the Italian lira at 1,887.5, a rise of two lira from the close of trading in Europe on Thursday.

A French government source later denied the report, calling it "a groundless rumour."

Against the US dollar, the D-Mark closed up by nearly one cent to DM1.762. The D-Mark also rose over a penny against sterling. It

closed at DM2.7897, a rise of 1.1 pence.

In the US, the dollar was little moved against the Japanese yen in spite of a series of comments by officials on both sides of the Pacific. The dollar ended at ¥125.975, a silver higher than the previ-

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UNIT TRUSTS

WINNERS AND LOSERS

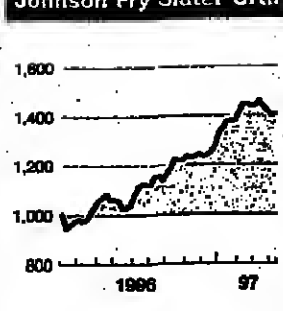
TOP FIVE OVER 1 YEAR

Johnson Fry Slater Growth	1,407
Abbey Latin American	1,322
Gartmore UK Smaller Companies	1,298
Abtrust Latin American	1,270
Fleming Select Latin America	1,263

BOTTOM FIVE OVER 1 YEAR

Old Mutual Thailand Acc	465
F&C Japanese Smaller Cos	534
Five Arrows Japan Smaller Cos	535
Edinburgh Japan Smaller Cos	549
Henderson Japan Smaller Cos	551

Johnson Fry Slater Grth



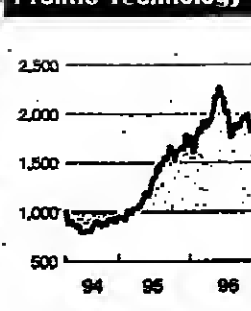
TOP FIVE OVER 3 YEARS

Jupiter European	1,800
PM North America Growth	1,500
Johnson Fry Slater Growth	1,338
Gartmore UK Smaller Companies	1,314
Prolific Technology	1,810

BOTTOM FIVE OVER 3 YEARS

Five Arrows Japan Smaller Cos	432
Govett Japan Strategy	445
Fidelity Japan Smaller Cos	450
Edinburgh Japan Smaller Cos	472
Friends Prov Japanese Sm Cos	474

Prolific Technology



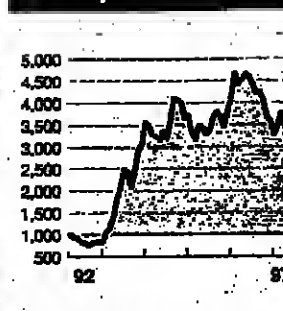
TOP FIVE OVER 5 YEARS

HSBC Hong Kong Growth	3,608
Mercury Gold & General	3,461
Hill Samuel UK Emerging Cos	3,398
GT Orient Acc	3,338
Jupiter Income	3,326

BOTTOM FIVE OVER 5 YEARS

Govett Japan Strategy	814
Friends Prov Japanese Sm Cos	847
Fidelity Japan Smaller Cos	882
Barclays Uni Japan Inc	883
M&G Japan & General Acc	896

Mercury Gold & General



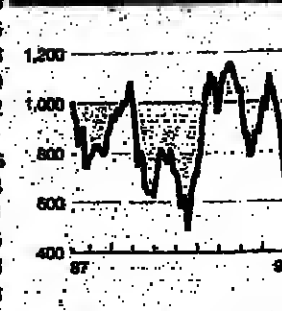
TOP FIVE OVER 10 YEARS

HSBC Hong Kong Growth	5,819
F&C US Small Companies	5,565
Hill Samuel US Smaller Cos	5,554
Gartmore Hong Kong	5,489
Abtrust Far East Emerging Econ	5,222

BOTTOM FIVE OVER 10 YEARS

Barclays Uni Japan Inc	454
Waverley Australasian Gold	521
Mercury Japan	606
Henderson Japan Smaller Cos	618
M&G Japan & General Acc	633

Henderson Japan Sm



Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

Source: HSW (01625 511311)

Indices

Average Unit Trust	982	1165	1757	2278	3.2	2.5
Average Investment Trust	1067	1202	2030	2815	4.5	4.7
Bank	1033	1112	1214	-	0.0	-4.3
Building Society	1031	1112	1221	1858	0.0	4.0
Stockmarket: FTSE All-Share	1129	1446	1944	3006	2.7	3.7
Unit Trust	1027	1088	1184	1523	0.4	-

UK Growth

Johnson Fry Slater Growth	1403	1868	2374	-	3.6	0.9
Jupiter UK Growth	1110	1722	2752	-	3.1	1.6
Credit Suisse Fellowship Inc	1042	1580	-	-	3.1	1.1
Perpetual UK Exempt	1104	1576	2577	-	2.7	2.2
Sarwa UK Growth	1034	1542	1980	-	8.0	1.6
SECTOR AVERAGE	1059	1315	1812	2263	3.0	1.6

UK Growth & Income

Fleming Select UK Income	1158	1484	1962	2508	2.9	3.4
Perpetual Income	1098	1467	2285	2906	2.7	2.6
Lazard UK Income & Growth	1071	1447	1859	2624	2.8	4.1
Fidelity UK Dividend Growth	1075	1435	-	-	2.6	2.3
Gartmore UK Index	1126	1427	1828	-	2.6	3.0
SECTOR AVERAGE	1083	1294	1727	2445	2.9	2.7

UK Smaller Companies

Gartmore UK Smaller Companies	1288	1610	2389	2553	3.4	0.2
Laurence Keen Smaller Cos	1148	1778	-	-	3.0	1.1
AES Smaller Companies	1112	1876	2270	-	3.1	0.9
INVESTCO UK Smaller Companies	1172	1659	2667	2291	3.9	1.1
Schroder Smaller Companies Inc	1207	1825	2456	2404	3.1	1.0
SECTOR AVERAGE	1059	1293	1995	2121	3.0	1.4

UK Equity Income

Jupiter Income	1148	1759	3048	-	2.8	4.0
Lazard UK Income	1106	1516	2088	3225	2.7	4.5
River & Mercantile 1st Income	1091	1458	2064	-	2.6	4.0
BWD UK Equity Income	1125	1432	2008	2457	2.8	3.5
Brianston High Yield Inc	1082	1429	2086	3158	2.7	3.9
SECTOR AVERAGE	1085	1270	1794	2475	2.8	4.5

UK Equity & Bond Income

Cazenove UK Equity & Bond	1083	1306	-	-	3.2	6.2
Clare Med Retirement Income Inc	1062	1293	1820	-	2.9	5.5
Prolific Extra Income	1027	1276	1753	2345	2.5	4.5
CU FRT High Yield	1091	1267	1782	2625	2.8	5.4
CIS UK Income	1078	1242	1701	-	2.5	4.1
SECTOR AVERAGE	1044	1186	1654	2044	2.3	5.4

UK Eq & Bd

BWD Balanced Portfolio	1119	1481	2175	-	3.1	1.2
Perpetual High Income	1087	1358	2240	-	2.2	3.2
Credit Suisse High Income Port	1037	1355	2278	-	2.8	4.0
Henry Cooke Balanced	1051	1342	-	-	1.8	2.4
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● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Selling	Buying	net	Yield	Selling	Buying	net	Yield
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Jackson's word-play

'He expects more lawsuits - but then, the threat of legal action is one of his most effective weapons'



Tea and rifles

'Some local elders say that the 2,000 gun businesses in the city have roots going back two centuries'



The Tokyo exodus

'The job of traffic forecasting in Japan has become something of an art, if not a science'

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A president for the UK?

The May 1 election has put the focus on one individual, Tony Blair, leader of the Labour party, favourite to win. John Lloyd asks whether Blair has a governing strategy, or a get-elected strategy

What Margaret Thatcher began in Britain, Tony Blair is carrying through - in image as much as in substance. The leader of the Labour Party - New Labour, he wishes it to be called - is presenting himself to his parliamentary democracy as a presidential figure, the sole source of power, vision and passion.

In doing so, in an American way as the British system allows, he has very largely substituted himself for his party. The Labour manifesto, traditionally a repository of all the aspirations and ideals which the left of the party could force the right of the party to retain, has been transmuted into a personal testimony - "my pledge to the British people".

To accompany its launch, his office released the handwritten version of the document, and the detail that it had been composed in the back garden of his home in Islington, north London. No more lefty committees. Just the leader below the rustling leaves, crafting promises he knows he can keep.

This election is "about" trust - in him. Implicitly and explicitly, by word and deed, briefing, and nod and wink, Tony Blair is pressing himself upon the British people with the insistent (polite) demand that they trust him, believe him, elect him. No other would-be prime minister - not even Margaret Thatcher in 1987 - couched a campaign in such an uncompromisingly personality-cultish way.

We thus inevitably have to look at him, in order to determine if we can trust him in his role as substitute for the Labour party. Look at him first on the stump. I have watched him in a number of locations - canvassing, facing question and answer sessions, giving speeches - over the past three weeks.

Never - except during a tense television interview last week, when a barrage of questions about the large gaps between his earlier and present convictions produced a nervous recoil for the first few minutes - have I seen him less than wholly in command, confident that at his back is an organisational and public relations machine tailored to projecting him in a high gloss, high relief leadership role.

In Basildon, a new town on the fringes of London where the working class moved in the 1970s and 1980s to better themselves and voted Conservative to prove it, he conducted a meet-the-public event in the town's theatre with John Prescott, his deputy. Prescott, a working class leftist, has allowed himself to become in public a big, good-humoured lad who says, with a rueful grin on his face, "there he goes again" of Blair's right-wing radicalism.

In return, Blair says how loyal a deputy he is and tells little funny stories about shocking him. When one questioner objected to Blair making war on the

party's working class image, Blair smiled wincingly and said: "That's one for you I think, John."

Prescott chuckled good naturedly and said: "No, it's definitely one for you, Tony." and Blair then answered it, saying: "Look, y'know, I can't do better on this than use John's phrase - traditional values in a modern setting..."

This, one of the central acts (in both senses of the word) of Labour's election campaign, is actually the symbolic and comic sacrifice of the party's left-right divide on the altar of the imperative to win.

Decades of principled political divisions have been gutted, to be re-presented as a situation comedy. Few events attest to Blair's dominance of his party so much as this - the willingness of John Prescott to lend himself to the endlessly repeated set piece, in which matters of fundamental importance - to him, at one time - are dissolved into the "you've-got-to-love-it" bossiness of... the Boss.

Perhaps Blair has simply charmed Prescott, as he has charmed so many people. Born to a secure professional family, he is well-educated, handsome, followed his father's choice of law as a career, is secure in his wife (also a lawyer) and three young children, commands a joint income of over \$500,000, is outgoing in nature, balanced, quick on the uptake.

At the same time, there is something - just a hint - of strait-lacedness about him: the merest touch of the nerd, which gives an unusual edge to his self-possession and sophisticated self-deprecation.

His sense of humour is limited. No one retells Blair "good ones"; he is a little too self-regarding, a little over-eager to be liked.

These last traits have been his fortune. He is earnest, serious - not an intellectual in habit or claim, but with the kind of ordered intensity of a very good manager.

Had he not had the strait-lacedness and confident self-absorption, he would not have remained attached to the High Anglican Christianity which he now deploys as another feature in his appeal for trust. He would not have been able to retain the stock of visible moral capital on which he and his image-ingrainers now draw to prove his trustworthiness. For all that he and his closest people admire much about the Clinton juggernaut, it is almost unthinkable to imagine a Blair administration dogged by charges of financial skulduggery and sexual opportunism.

I remember two senior Labour officials discussing Blair in the late 1980s, comparing him - as was then the sport - with Gordon Brown, now shadow chancellor, as to who would be the next leader but one, or two.

Blair, they marvelled, was simply perfect. He was what every imagemaker of the time wanted to project. Hence his pact with New Labour's image shaper Peter Mandelson, who plumped for



him over Brown even before John Smith's death in the spring of 1994 left the leadership vacant and who has served him as he was not allowed to serve John Smith - with an extraordinary assiduity and talent ever since.

In combination, Blair and Mandelson have fashioned a presentational strategy for New Labour, borrowed from

advertising and marketing techniques, TV commercial production, US campaign strategies - and crucially built upon the central figure of Blair himself, who has, as far as the British political system will allow, become presidential.

The strategy has been to cut away as many of the intervening institutions and

Three questions now sit before Tony Blair, and before those of us whom he is likely to lead in two weeks' time.

First, can he lead? Second, can he control a party which, in victory will be much less hiddable than in power-hungry opposition?

Third, can he deliver what he has promised?

The first is easiest. He can lead. He has been able to prioritise his tasks and to pursue them bit by bit, with planning and care and time.

To be sure, it has been his own party he has reformed, not the country, and by the time he inherited the leadership, it was a party already partly reformed by Neil Kinnock and John Smith, his immediate predecessors, and by 15 years in opposition.

It was thus possible to propose a radical reform to it with some prospect of success. But it is only in retrospect that it looks easy. At the time, the re-framing of Clause IV (the party's mission statement), the further distancing of the party from the unions, and, most of all, the relentless reshaping of policy to narrow down the promises to a programme sustainable within the current macro-economic framework, were very large achievements.

The second question - can he control the party - is harder. There is no doubt - it becomes more and more audible on the campaign trail - that the party is in a state of silenced uproar. The silence of the leading personalities of the left is not that of the lambs. It is of those who will strain in government to do what they came into politics to do - to reform.

The disquiet over the tough measures proposed by Jack Straw, shadow home secretary, on law and order; the incredible constraints of remaining within public expenditure limits set out in the last budget while improving education and health; the still un-broached revolution promised in social security and welfare; the ditching of any measures of progressive taxation in a time of widening inequalities - these are deep and painful contradictions for a party of the left.

However, it is wrong to see the issue simply as one in which Blair, with Brown, has nailed down rigour on top of a barrel containing a seething party. Blair has not changed the world: he has recognised that the world is changing, and is not alone in so doing. Within the parliamentary party, and ready for positions of power in and around government, are men and women - the Blairites - who accept, or have anticipated, his analysis and wish to explore rather than destroy it.

The formidable powers of patronage and preferment which a new prime minister will enjoy will, quite quickly, give the levers of power to men and women who are anxious to prove themselves as administrators and do-ers, to test out the sinews of the state against the realities of the world. The "Thatcher revolution", which Blair has largely accepted, strengthened many of these sinews - taking back central authority over, for example, an education system which had relied largely on local authorities and universities.

The Labour party reforms have pushed the trade union chiefs out of their hegemony over decision-making

and greatly weakened the influence of the activists over policy. Blair is not about to give these up and his ministers will enjoy an authority those in the last Labour government did not have, forced as they were to share it with the other institutions of the party.

In weakening these, Blair has strengthened the parliamentarians - so long as they remain inside with him, since there are no other substantial bases of support in a Labour "movement" which has more or less ceased to move.

The last question - can he deliver on his bond - is the hardest of all. He inherited a party still formally committed to a socialist project based on economic ownership: he has replaced that

and thus proposed the revolution of the wellspring of the economy. The new Clause IV means simply that where one person cannot lift a table, two people can.

All of the elaborations on this have been of the same nebulous quality. By contrast, the old urge to nationalise could be counterposed with something definite: the superior efficiency of private ownership, the great trump card of Thatcherism.

Blair enthusiastically accepts that that card has been played. His new words - responsibility, inclusion, social-ism (meaning, simply, sociability) are concepts with which everyone is constrained to agree, no matter what their politics.

The campaign has shown that he and his colleagues will weave and duck endlessly to avoid being outflanked on the right. It has been a grim sight, made grimmer still by the whole mélange being cloaked in a union flag guarded by a slaving building - the star of Labour's latest TV spot, and a beast usually associated with the right or even far right.

No wonder the Tories now cry "Stalinism". New Labour has perfected the verbal equivalent of Stalinism, a kind of totalitarianism of the unexceptionable. It is masterly as an electoral platform, but thin as a governing strategy.

This is his greatest challenge - to give substance to an ethical approach to governance. The only way in which it can rise above cliché is the possibility that civil society will itself rise to the challenge, and that the citizenry itself will fulfil its side of the contract which the best of Blairism proposes: that of a renewed society of responsible adults for whom duties are naturally ingrained into freedom - with more duties adhering to more freedom.

He is right: something of that is in the air. His task is to show it is not just an airy nothing. Then it would be more up to us, than to him.

Blair's brains explode.

"THE LEFT DISLIKE HIS ARROGANCE. HIS INTOLERANCE. HIS PREACHY SELF-RIGHTEOUSNESS. 'THE MAN'S Robert Taylor finds Labour's left-wing thinkers having severe second thoughts about the man and the party they helped to create. Only in The Spectator, not today.

IS ONE OF THE MORE PRINT-ABLE COMMENTS."

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Joe Rogaly

The feeble cop within

'If there is such a thing as a punacea for crime, zero tolerance is not it.'

Page III

Arcadia

Rural theatre

'The one-roomed school where "the master" reigned was our window on the world'

Page XXIV

THE
SPECTATOR
Letting down the tyres of political bandwagons. And stealing the jack.

PERSPECTIVES

Minding Your Own Business

Growth from fertilised roots

Clive Fewins on a compost company that uses elephants and rhinos for extra-strong manure

A management "give-out" is how Michael Pery describes the birth of Devon-based EcoSci - Ecological Sciences. The research-based company, which specialises in developing low-cost composting techniques, grew out of the experimental waste disposal and recycling arm of South West Water.

The recycling division was set up in 1991 in Exeter as a joint venture between South West Water and Devon County Council to investigate the composting of municipal solid waste and sewage sludge. But in September 1993, South West decided to close the division and make its five laboratory staff redundant.

However, Pery, 59, founder chairman of EcoSci, says: "South West Water realised that unless some of the experimental work was continued it might have to pay back some of the £400,000 grant it had already received from the DTI [the Department of Trade and Industry] for much of the work."

"The company, therefore, agreed that some of the team could stay in the laboratory in Exeter rent-free for the first 12 months, provided they funded themselves and completed the work."

The operation had been run by Tom Young, 63. When redundancy loomed

Young asked Pery, an old friend, to join him as co-founder of EcoSci in January 1994 to continue and develop the work they had carried out under South West Water.

"We borrowed nothing and we put in nothing. As we considered it too risky to put in our own money, we thought it unreasonable to approach other people for funds," says Pery.

"To generate some income we came to an arrangement to take over composting work then carried out by Devon Waste Management for Devon County Council at its landfill site and recycling plant in Plymouth."

"By paying us at the beginning of the month from the money it received from Devon County Council for running the operation, Devon Waste Management was able to help us to pay wages and to acquire some working capital."

"This system enabled us to generate sufficient cash to re-employ two former key employees of the South West Water operation - research scientist Dr Andrew Groen-



No such thing as waste: Michael Pery and Tom Young who moved on from a State-owned water company to their own 'pod' recycling system, EcoSci

Devon & West Photo Agency

the first six months.

As a second source of income Groenhof conducted experiments at Plymouth and Exeter on the qualities of various composts, testing the theory that some composts contain natural chemicals that will kill off diseases in plants. This work was backed by a Smart award, established to help small businesses improve their competitiveness, from the DTI.

EcoSci also gained European funding to conduct a feasibility study for a pilot scale composting plant in Mangalore, India. It was also asked to advise on the installation of a composting plant at Mansura in Lower Egypt, under a scheme funded by the British Government

Overseas Development Administration.

And in June 1994, EcoSci persuaded National Westminster Bank to provide a £15,000 overdraft to enable the company to lease hire transport to take the Devon County Council-owned Plymouth composting plant on the road to three other recycling sites for processing municipal and garden waste collected by Devon Waste Management.

From the waste material EcoSci produced a soil conditioner called West Country Compost, for which they gained Soil Association approval as a 100 per cent organic product. It is sold at garden centres, mainly in south-west England.

At the end of its first year,

1994-95, EcoSci made a loss of £4,000 on a turnover of £179,700. Having avoided investment costs, Pery and Young were reasonably satisfied with the figures. In 1995-96, the company made a gross profit of £16 on a turnover of £309,000. In the third year, which ended in January 1997, EcoSci's turnover was £400,000 and made a profit of £15,000.

The company still has a low capital value - about £28,000. Its assets mainly comprise equipment bought from South West Water. The team now numbers 15.

In 1996, EcoSci developed another product, which helped Paignton Zoo solve

its own disposal problem. The product is Zoopoo - an extra strong compost derived from elephant and rhino manure.

Experiments are continuing in the laboratory at Exeter, where Groenhof is working with materials that were previously thought unsuitable for recycling into compost - slaughterhouse waste, fish waste, paper waste, chicken feathers and cellulose packaging material.

"If it can be shown that some compost formulations can help kill off diseases in mainstream crops - for example, clubroot in Brassicas - on a large scale, it would be big news for horticulturalists," says Pery.

EcoSci hopes to develop diagnostic "kits" and other

means of advising producers of organic composts on the properties and capabilities of their products, including how to develop formulations to help eliminate plant diseases. EcoSci is collaborating in this work with a team at a Hungarian research institute. They are investigating how compost can be used to revive large areas of grain-producing land over-farmed under the communist regime.

However, it is in south-west England where the company believes the biggest potential for expanded earnings lies. It has been working with Plymouth City Council to introduce a new recycling system to meet government landfill levy requirements. The levy,

introduced in October 1996, requires councils to recycle at least 25 per cent of domestic waste by 2000. The waste would previously have been sent to landfill.

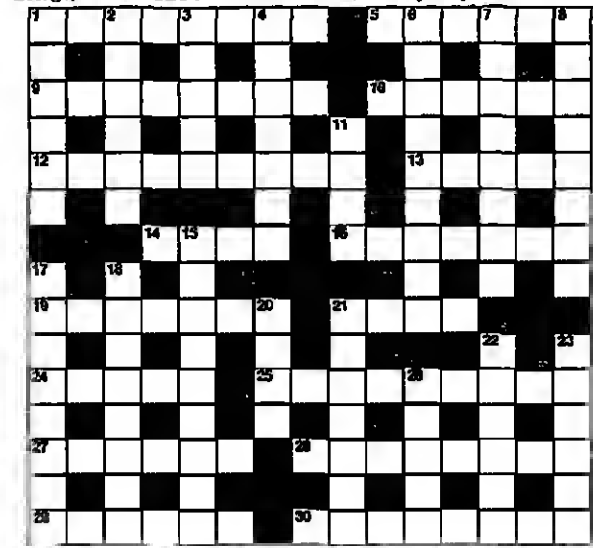
The system involves 60m-long plastic "pods", each holding up to 200 tonnes of waste, to accelerate the decomposition process. EcoSci believes the American-designed process could be used in other UK cities.

"Devon is rapidly running out of holes in the ground in which to deposit rubbish," says Pery. "If the system proves a success and the annual throughput rises to 25,000 tonnes, our turnover could top £1m in 1998." ■ EcoSci Ltd, Higher Hoopern Lane, Exeter, EX4 4SG. Tel: 01392 424946.

CROSSWORD

No. 9,353 Set by DINMUTZ

A prize of a classic Pelikan Souverän 800 fountain pen for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by Wednesday April 30, marked Crossword 9,353 on the envelope, to the Financial Times, Room One Southwark Bridge, London SE1 9HL. Solution on Saturday May 3.



Name: _____
Address: _____

- ACROSS**
- 1 Rounds for Open or club types? (3)
 - 5 Flits maps, somehow, on board (6)
 - 9 To jump a line is the limit! (8)
 - 10 Blocks of the Italian vans breaking down (6)
 - 12 Way dates can be arranged to find sheltered anchorage (9)
 - 13 Warming legs within, at the fireside (5)
 - 14 Get through canyon (4)
 - 16 Footballers away from home (7)
 - 19 Socially acceptable ways of making advances? (7)
 - 21 River fly (4)
 - 24 What is kept new, perhaps, in olive drab? (5)
 - 25 Complaining of gripes, initially, with rummy noises (8)
 - 27 Burning forest takes little time (6)
 - 28 Discharge of English task-force (6)
 - 29 Live permanently in Chartres, ideally? (6)
 - 30 Cheating, to stuff burst tyre with stack of hay (6)
- DOWN**
- 1 Famous name in cricket makes a person stop and think (6)
 - 2 Aunt go out for a chewy, sticky sweet? (6)
 - 3 Welsh side beaten with unresolvable balls (5)
 - 4 Reprimands salmon favourites (7)
 - 6 One ripens, maybe, as an elderly person (5)
 - 7 Condition to be treated by a house-doctor? (5)
 - 8 Seen puss wandering about in anticipation? (6)
 - 11 Modern middle European runner (4)
 - 15 Profligate forsaken (5)
 - 17 Changing a round is something no longer fashionable (5)
 - 18 Composer of sad organ pieces (8)
 - 21 One who beats an American salesman (7)
 - 22 Heavenly French wine in decline? (6)
 - 23 Cagney, perhaps, about name of bureau (6)
 - 26 Key computer language (5)

Solution 9,341

WINNERS 9,341: Mrs I Shearer, Eastbourne; J.G. Malcolm, Kinross; A.R. Neale, Bahrain; Brian Smith, Stafford; Caroline Tettenborn, Broadwood Kelly, Devon; J.M. Tulley, Ivybridge, Devon

CHESS

K is the chief rival to K - but the danger to Garry Kasparov's world supremacy is no longer Anatoly Karpov. Last week's Seville tournament confirmed that Vladimir Kramnik, 21, is now the most likely player to stop Kasparov's declared ambition to stay No 1 into the next millennium.

Scores at Seville were Anand and Kramnik 6/9, Karpov, Salov and Topalov 5, Gelfand, Polgar and Shirov 4½, Short 3. Iliescu 1½ in line with new world rankings which show Kasparov with an all-time record rating, Kramnik and Anand (who has already lost a title match) at a discreet distance, then a further gap to Topalov, Karpov and the rest.

So the much-trumpeted "unity match" between Karpov, holder of the Fide world title, and Kasparov, champion of the breakaway PCA version, seems increasingly unlikely. Instead, Fide is pressing ahead with its new knock-out world championship at the end of 1997 (early rounds in Holland, semi-finals and final in Russia) which Kasparov and Karpov have already said they will boycott.

Perhaps Kasparov will play no more human championship matches until a non-Russian emerges who

the smart money believes has a real chance to unseat him. Meanwhile, grandmasters and programmers are preparing IBM's Deep Blue super-computer, which lost to Kasparov 2-4, for a return bout in New York next month.

Kasparov, who is not short of an ego or two, believes he will always be superior to a machine or to a woman. But Deep Blue's team disagrees; so, probably, does 20-year-old Judit Polgar, who made excellent scores in both the latest super-tournaments at Linares and Seville and who can now cope with all the top men except for Kasparov, Anand and Kramnik.

No 1178

White mates in four moves at the latest, against any defence (by Y. Vladimirov, 1996).

Solution Page XXII

Leonard Barden

BRIDGE

Freak hands tend to bring joy at first sight, angst in the auction, and regret on the scorecard. So it was for South, blinded by the sight of 13 black cards.

W E
A J 7 5 2 A 6 K 10 9 3
10 8 7 4 2 A 5 3
K 10 6 3 2
S
10 9 8 7 5 4 2
H
A J 9 8 5 4
South opened 1S. It is very difficult to assess how best to bid these hands but, being so weak, South should perhaps pass originally, and then re-enter the auction with a cue-bid or Unusual NT later to get across his bizarre shape.

West overcalled 2S, which showed hearts and a minor

The Nature of Things
Pheasants under care

One man has collected 40 rare species, finds Clive Cookson

Michel Klat has the world's finest collection of rare pheasant species, and a tour of his aviaries when the cock birds are showing off their best springtime plumage is an astonishing treat for the eyes.

When the Satyr tragopan puffs up his gorgeous breast feathers, the white-hot spots on a smouldering red background almost burn a hole in your retina. Next door, there is relief from the visual heat: a Malaysian peacock pheasant fans his tail and displays a myriad of blue-green eyes. Cooler still is the silver pheasant, whose icy back has an intricate tracery of grey feathers, like a wind-blown snowfield. Then we warm up again, with the Bornean fireback and his golden tail...

Ornithologists recognise 49 separate species of pheasant, at least half of which are endangered in the wild through a combination of habitat destruction and hunting. All but one (the Congo peafowl) are Asian natives; most live in the forests and scrubland of the Himalayas and south-east Asia.

Klat, a Lebanese businessman who started his collection in 1985, owns breeding pairs of 40 species (and several subspecies). "It is the largest number of pheasant species that has ever been collected together," says Keith Howman, director-general of the World Pheasant Association, the international conservation body for these colourful birds.

Although Klat hopes his collection will reach 43 species by the end of this year, he has no hiding ambition to own all 49. For example, his aviaries could not provide a suitable home for the blood pheasant which lives in arid conditions high in the Himalayas.



Pheasant rarity: Cabot's tragopan are worth more than £1,500 a pair

in the south of England". We cannot be more precise than that because Klat is understandably anxious to protect the security of his birds. Rare pheasants such as Cabot's tragopan are worth more than £1,500 a pair.

Perhaps the rarest of all are two deep blue species: Edwards's pheasant and the Vietnamese pheasant. Both come from a small area in central Vietnam where forests were destroyed first by warfare and then by commercial logging.

Edwards's pheasant was believed to have been extinct in the wild for 80 years until it was rediscovered in Vietnam last year. Meanwhile, breeders in the west have built up a stock of almost 1,000 Edwards's pheasants from a few brought back by French collectors in the 1920s.

"People like Michel Klat have secured the future of the Edwards's pheasant," says Howman. "Zoo cannot conserve endangered birds on their own because they do not have enough space to maintain genetic diversity. Private aviculturists are needed too."

The Vietnamese pheasant was not discovered until 1964 and not known in captivity until Hanoi Zoo started a breeding programme in 1990. The first Vietnamese pheasant born

outside Vietnam is now a healthy two-month-old chick in Klat's well-equipped incubation room, and a second egg hatched there last week.

Klat has found from experience that the most successful policy is to remove pheasants' eggs early in the breeding season and rear them in the incubator, but to leave the last clutch in the care of the parents.

Although pheasants are

planted with trees and shrubs to give the pheasants this undergrowth they like. Some deaths are inevitable. "You have to live with about 10 per cent mortality per year," Klat says. "Unlike animals, birds show hardly any sign of illness. They can seem in perfect condition and then be dead 10 minutes later, so you rarely have time to catch them to take to the vet."

He started collecting rare pheasants as a hobby when a heart by-pass operation made it inadvisable for him to continue his previous business career, manufacturing water pipes in the Gulf. But he turned it into a company five years ago after persuading business colleagues to back the enterprise. Klat sells birds to respected amateurs and zoos "but I would not sell to a pet shop or to anyone I did not know".

"This common game pheasant, glorified in my colleague Robin Lane Fox's article in the Weekend FT two weeks ago, is the bird Klat loves least. He sees it as the degraded result of interbreeding between varieties of Chinese ring-necked pheasant."

Looking at the pure subspecies gleaming in Klat's aviary, one can understand his contempt for people who rear pheasants for slaughter - and his own refusal to eat pheasant.

'It would be a crime to keep birds of prey or naturally migratory birds caged'

PERSPECTIVES



Joe Rogaly

When the cop within is too tolerant

In the field of crime, no one has yet invented a panacea – and zero tolerance certainly isn't it

Some catchphrases are too powerful for their own good. "Zero tolerance" is one. It implies aggressive policing, cracking down hard on anyone who makes a false move. The target offenders are not only murderers, burglars and rapists. Whoever ruffles bourgeois sensibilities is liable to be arrested or strong-armed away. This includes squeegee artists who clean your car window and hold out their palms, former inmates of mental institutions, homeless people sleeping rough in doorways, the tramp on the park bench.

The theory is that if you clean up the neighbourhood, wipe away graffiti, prosecute vandals who deface or destroy public property, disassemble gangs of loiterers, you create an atmosphere of orderliness. This, it is

believed, has a knock-on effect. The message of the well-policed environment is that here is a place in which good behaviour is expected. Criminals find such an atmosphere uncomfortable, or are isolated and captured.

A happy picture, so far as it goes. There is a less appetising interpretation. As purveyed by seekers after our votes, ZT, the smoothest of soundbites, is an unstated promise to banish the disturbing end of society, hide it away, sweep it off the streets. It is sold as a solution to the problem nobody knows how to solve, the rise in violent crime. It sounds comforting, especially if you live in a city and feel afraid to walk the streets at night.

The reality is more mundane. The most celebrated practitioner of zero tolerance is William Bratton, who introduced the tech-

nique in New York City. Commissioner Bratton's officers may have applied his strategies with an excess of zeal, but we self-protectors turn a blind eye to that. The results, compiled by uniformed men and women under pressure to improve their performance statistics, are dramatic: a halving of the murder rate, a 37 per cent fall in total recorded crime, over three years.

What is not clear is whether this significant improvement was brought about by the determined prosecution of minor offenders as a first step, or the thorough reorganisation of the NY police department. Commissioner Bratton tells us of decentralisation, devolving authority down to the precinct level. Hiring an additional 7,000 police must have helped.

Nor does the methodology

always have to be rough. Intelligent community policing, putting the cop back on the beat, would leave room for discretion. You pick up the drug pusher, wag a finger at the tramp. Our natural instinct is to regard this as common sense.

However you interpret it, zero tolerance is not a panacea. Such a thing has yet to be invented. Nobody on either side of the Atlantic knows what will make a lasting impact on the crime rate. The number of recorded offences has been falling, in some categories, but only down to levels that would have been regarded as horrific 20 years ago.

The US Congress asked criminologists at the University of Maryland to seek remedies. Their report, out last week, is not encouraging. It cites evidence that focusing on petty

crimes, or on high-crime parts of town, can make a difference, for a period and in a particular place. We can be grateful for that. Plainly ZT is not a complete waste of time and energy.

There the good news ends. The effectiveness of most other anti-crime strategies, including building more prisons, is either questionable or unproven.

In Britain, Norman Dennis blames the permissive 1960s, the loss of self-control, moral relativism, the sense that anything goes, the feeling among young men that if their desires are not gratified it is no shame to kick, or lash out with fist and knife.

Mr Dennis, who is known for his co-authorship of a celebrated treatise on the family, has edited a collection of essays, *Zero Tolerance: Policing a Free Society*, published this week by the IEA

Health and Welfare Unit. His contribution is a lament for the 1950s, or the Victorian age, or a blend of the two.

If I sound doubtful, it is because this school of thought, this sighing for a rose-tinted past, is not helpful. It might be if we knew how to inject moral sensibility, or social control, or a sense of guilt, into the skulls of the bone-headed young thugs who do most of the nasty business. But we have to work within the culture we have. That is increasingly secular, amoral, acquisitive. Good, legal behaviour is a matter of utility, not conscience.

The connection between crime and widening inequality or poverty is disputed by Mr Dennis, on the ground that in the 1930s there was high unemployment and a low rate of crime. Yes, but

the effect of conscience pertained then, or so we believe. Today there is no inner cop, no warning inside the head, to keep the behaviour of the lower orders legal, and unthreatening.

This is not a roundabout way of saying that the true victims are the criminals. That is just soppy sociologists' talk, decades out of date. Individuals who wound or kill, or rob or mangle, must bear the responsibility for their actions. There is no doubt about that. It is not, however, the end of the story. We need to know how to control the streets, defeat the drug barons, make life safer.

Zero tolerance is something to clutch at, a means of sleeping easier at night, a security blanket for the haves. The rest is hyperbole.

*London tel. 0171-799 3715.

Lunch with the FT

Jackson addresses a larger audience across the table

Tracy Corrigan is gripped by the impersonal eloquence of a lunchtime orator

We drop people off here," the taxi driver told me as we entered Chicago's South Side, "but we don't pick up." He watched with undisguised concern, just in case I didn't already feel conspicuous enough, as I walked up the path leading to the offices of the Reverend Jesse Jackson's Rainbow/PUSH Coalition in Hyde Park.

I had arranged to meet Jackson there because, according to his press officer, he couldn't decide where we should lunch. The building is the national headquarters of Jackson's organisation, which campaigns for social justice, not only, but predominantly, for African Americans. It looked like a run-down social centre, and appeared to double as such. It was in sharp contrast to Jackson's plush new office on Wall Street, which I had visited a week earlier.

After a time, Jackson, flanked by aides, emerged, more or less acknowledged my existence, then disappeared again. I struck up a conversation with one of his assistants. More than an hour after my arrival, the Reverend strode out purposefully.

"Tracy! Tracy!" he hollered, I sprang to attention at the first-name familiarity. But he was summoning one of his press officers. The

other Tracy appeared, and I was swept out of the building and into a waiting limo. It was hardly the intimate lunch I had envisaged. There were five of us, spread across two tables: the Reverend, Tracy, his aide, his driver and me.

Still, I liked the choice of venue. The Valois is a self-service café at the heart of the Hyde Park neighbourhood. Tracy said she used to come here as a child with her father and it had the reassuringly small-town feel of neighbourhood haunts where the regulars know each other.

The five of us made quite an entrance, as Jackson, who first came to Chicago as a university student, was greeted with a chorus of shouted good wishes and proffered handshakes. This was clearly standard procedure.

At the counter, a range of hearty, mainly southern-style dishes known in the US as soul food, was displayed. I committed a slight faux pas by mistaking spinach for greens and corned beef for pork, but the meal I ended with was just the sort of comfort food I was craving. Jackson chose baked fish, mashed potato and spinach, with rice pudding for dessert. He insisted on picking up the bill.

Since the waiting had sharpened my appetite, I was grateful that keeping a con-



Jesse Jackson: 'If there is a woman in the room or a black or a Hispanic, it alters the nature of the dialogue'

Diana Walker/Time Magazine

versation going with Jackson proved a cinch. I asked him about his new Wall Street bureau, the base for a planned attack on the "walls of Wall Street", which have proven difficult for blacks to scale, and he was off.

"At one level, we've been doing this for a long time," he said, reminiscing about

There were five of us. It was hardly the intimate lunch I had envisaged

Operation Breadbasket, a local Chicago effort organised by Jackson when he was working for Martin Luther King.

Still, the issue has gained fresh poignancy in the wake of a series of race discrimination lawsuits against big companies, most notably

Texaco, accused of denying promotion and wage increases to black workers. This was "a defining moment", according to Jackson. He helped to organise a boycott of Texaco products and to negotiate the terms of the oil company's rapid settlement. He plans to use the same tactics against other companies – hence the symbolic opening of a Wall Street office.

"The Texaco situation revealed the arrogance of the closed-door policy... but it's a pattern of exclusion." The American arm of oil giant Shell, for example, due to merge its refining business with that of Texaco, has an "abominable" record on race, he said.

He went on to list about a dozen blue-chip US companies whose employees have called the Wall Street bureau with tales of harassment and discrimination in the week or so since it opened. He expects lots more lawsuits – but then, the threat of legal action is one of his

most effective weapons.

Jackson also aims to get more blacks on company boards, although he notes that Texaco's sole black board member "never surfaced" during the fracas. Jackson thinks board positions are important. "It's not automatic but it often means at least an avenue of access." He also believes that "if there is a woman in the room or a black or a Hispanic, it alters the nature of the dialogue".

Still, I tell him, it strikes me as an English person that there is an excessive focus on race in the US, while class divisions are ignored. To my surprise, he agreed. "Americans are slow to discuss race matters but they are even less willing to discuss class." Blacks form 12 per cent of the American population, yet make up 55 per cent of the jail population, but "almost all of those in jail are poor people", he notes wryly.

Yet America is widely perceived as a land of opportunity where anything is possible. "There is a certain assumption about equal opportunity which the children of the rich inherit." He warns to his theme. "The children of the rich inherit what the children of the poor can't earn."

There is nothing in freedom that necessarily leads to equality

moments like this, the cadence of his speech and his oratorical flourishes seem more suited to a sermon or a political speech. He loves word-play – Wall Street, for example, is "the capital of capital". And his tendency to stare into the middle distance while he

gathers his thoughts adds to the impression that his bursts of invective are addressed to a considerably larger audience than our lunch party.

The effect is that the conversation seems strangely impersonal. But his eloquence, which grows as he gains momentum, is gripping.

"I see ominous clouds..." he warns, referring to the disproportionately high percentage (20) of blacks employed by the public sector, which is being "downsized". Affirmative action programmes, which discriminate in favour of black workers, are under assault, and welfare is being cut.

His passion appears undimmed by 30 or so years of campaigning. Does he feel disappointed by the lack of progress of black Americans in business, despite the civil rights victories of the 1960s? "This is a life's struggle," he pauses and expands: "Fighting for equity and justice is an eternal struggle."

But he also sees the current effort as "a different kind of struggle" – though part of the same movement as the abolition of slavery and the end of legal segregation.

"Freedom comes more cheaply than equality. There is nothing about freedom that necessarily leads to equality... Just having the right to vote does not affect the class-based education system."

But is he disappointed? He pauses to consider, then pronounces rather grandly: "I am disappointed that the forces of resistance have continued to find new ways to avoid embracing the American dream."

Lunch was over and we got up to go. The glad-handing started again. "Let me shake your hand," said a middle-aged man as we left the restaurant. "Some of it might rub off." The man laughed and Jackson shook his hand with all the warmth that had been lacking from our lunch conversation.

Truth of the Matter

Crucified by the Old Masters

Contemporary art is taking the flak for a problem that belongs to historical relics, says David Barrett

Yes, but is it Art? Curiously, the question is heard less often in galleries than in the popular press – even, as now, when an artist has been found using bits of dead people. But I believe the question is more than just pointless rhetoric, despite the fact that it is always used to attack that art which is doing its damndest to be relevant.

I suggest the true function of the question "Is it Art?" is to challenge art which has been resting on its laurels for centuries – indeed, not merely resting, but actually propped up, as the corpse of El Cid was propped on his horse so that the Valencian army could rally behind him.

That soldiers could mistake a lump of meat for an inspirational leader is almost as funny as people mistaking the paintings in the National Gallery's London's Monets exhibition for

the pictures originally painted by Monet.

How can I say this? Well, let's take another example: Michelangelo's "Bound Slaves" are often assumed to be universal expressions of suffering. For Michelangelo's contemporary viewers they expressed a spiritual torment, suffused with religious meaning, coloured by that epoch's worldview. They are carved from stone: part of the earth, part of nature, and hence something to rise above and tame.

But now that we are dying to get back to nature, does stone-carving bear the same connotations? In fact, what does suffering itself mean

now? Not something sent by God, that's for sure. This is simply because our worldview is affected by contemporary culture, whether we like it or not.

Today's social environment is incomprehensibly different from that of 1513, so it is hardly Michelangelo's fault that his works have lost their social intuition – which disproves that "universal expression" is nonsense.

We must accept that artworks are no more eternal than flint arrowheads, Latin, or flared trousers. Meaning often fades faster than pigment, and restoration does not resuscitate. *Objets d'art*

inevitably become merely *objets*. Beautiful objects, perhaps; but as an artwork's habitat changes, so it becomes extinct. It is a perfectly natural process. Get over it.

Some say we are able to understand old paintings since we recognise their subjects – horses, grapes, God – as much as we recognise light bulbs, slide rules or skips to be found in Material Culture at London's Hayward Gallery.

This is the "I see, therefore I understand" school. But just because you look doesn't mean you see.

We don't really understand what horses, grapes

and God are, at least not as they were understood. Our contemporary view of these things precludes a true historical conception, so paintings that relied on them are like fish out of water.

Sure, we can have historical meanings explained to us, but this is like explaining a joke – about as conducive to humour as it is to art appreciation.

The postmodern view would be that, in any work of art, what you see is what you get. You, the viewer, make the meaning of the work, so whatever your eyes may see in Michelangelo –

references to a Paracetamol advert or fashion spread – is what the work is about. The artist's intentions are irrelevant, whereas the viewer's cultural context is all important.

But if this is the case, then everything is art and nothing is art, and we are back to the original question. How do we distinguish between that which is made to be meaningful and that which is not, that which consciously rewards investigation and that which yields only design?

And in any case, what, in our cultural context, can the sculpture of Michelangelo possibly mean other than "a

shell emptied by time?"

Well, through schoolmarish drilling, it also means Great Art. Repeat after me: "Renaissance art is Great Art." This does not mean that it is great art, of course, just that we not only feel bored looking at the stuff, but stupid, too, precisely because of our boredom. How can I not be moved by this? one wonders. "This is Great Art: everyone knows that!"

So contemporary art is taking the flak for a problem that belongs to the so-called Old Masters. Their continued celebration perpetuates a misguided, sterile view of art. We must recognise that

these works are popular precisely because we do not understand them, popular because they are *not* art. To call them art is a triumph of double-speak sufficient to shock even George Orwell.

So I say again, art history is not art. And yet popular opinion dictates that the reverse is true, and that is dangerous. It is called cultural imperialism, impressing one culture upon another. The west does this to the east, the first world to the third. Hollywood does it all the time.

But the biggest culprit is the past. The case for Michelangelo is argued through the authoritarian concept of universal values, and this disenfranchises the present. Contemporary art is being crucified because we have misinterpreted historical relics as art. Millions of bored schoolchildren cannot be wrong.

David Barrett is an artist in London.

PERSPECTIVES

When you hear gunshots you know you are nearing Dara Adam Khel. Dara is usually forbidden to foreign nationals and is approached via the dead quiet of the mountainous road from Peshawar, Pakistan's last frontier town.

A small town with a population of about 20,000, Dara could easily go unnoticed, but for its reputation as the main centre of the gun trade in Pakistan's northern tribal territory.

Shopkeepers casually step out into the main bazaars during peak business hours and test their weapons: children as young as 10 are taught to fire, and shops are lined with arrays of weapons, ranging from a small pen pistol for Rs150 (\$3.75) to sophisticated rifles and guns with prices as high as Rs50,000 (\$1,250).

For visitors to private homes, hospitality may begin with a cup of tea and snacks, but you might then be offered a locally made replica of the Kalashnikov assault rifle or a .30 pump action pistol and a handful of bullets. Test firing of weapons would take place on the roof.

Dara's gun culture dictates its daily life and has made the town increasingly notorious over the past 17 years, when it emerged as a centre for supplying small arms to the Mujahideen fighters in neighbouring Afghanistan as they fought invading Soviet troops. It has since become a source of guns for criminals and armed political dissidents across Pakistan.

A clampdown has been difficult, largely due to the semi-autonomous status of the tribal territories, the fierce independence of the tribesmen and local economic conditions. Pakistan's recent elections gave the first opportunity for the tribesmen in the tribal territories - including Dara - to elect their MPs. But it is not clear whether the right to vote alone will change Dara's character.



The corner store in a region where the gun dictates life for inhabitants

Tea and rifles at Dara

A small town in Pakistan's northern tribal territory is also the country's most notorious gun trading centre, reports Farhan Bokhari

The tribal area has traditionally been a stronghold of tribes who call themselves *pathans*, dating back to the Raj. In the 50 years since Pakistan's independence, the virtually autonomous status of the tribal areas has remained intact.

No one knows how Dara first became a gun centre. Some local elders say that the 2,000 gun manufacturing and trading businesses in the city today have roots going back two centuries. Originally a small dusty village, Dara apparently saw its first three gun shops in the early 18th century.

Some say that those shops were set up by Indian soldiers from the Punjab who deserted from the British

forces and fled north to escape retribution. Even at that time, the tribal land was a safe haven for criminals and dissidents.

Attempts by successive Pakistani governments to contain the gun business, and so cut off the most important source of weapons to the rest of the country, have been partially successful. For example, traders in Dara say they have removed Chinese and Soviet-made, shoulder-fired small missiles from their

counters, in agreement with the authorities in Islamabad, Pakistan's capital. This deal followed a complaint in 1995 by troops and police in the southern port city of Karachi that political

dissidents in the city were trying to acquire such weapons to use against vehicles chasing them. But a network of private couriers, set up with the participation of corrupt government officials, still allows guns from Dara to be sold in illegal arms markets across Pakistan.

Local economic conditions are also an important spur to trade. Haji Said Khattak, a local gun manufacturer, says: "If we ever went out of business, we'll be pushed to steal and rob."

Businessmen such as Aman claim that the entire tribal territory has seen fewer than 2,000 industrial jobs created in the past two decades. "Our people have

no other choice," he says, pointing towards his teenage son who dropped out of school aged 12 and now sells weapons.

Other businessmen take pride in the quality of locally produced replica guns and say that with official encouragement, such as better training facilities for research and development, the teenagers of today could become skilled craftsmen in the future.

One arms dealer picked up a Kalashnikov rifle in each hand. "You cannot notice the difference. One is Russian, the other one is local. The quality is equally good. The only difference is that the local rifle is a third of the price of a Russian," he says. "If Russia, Spain and Italy can become gun exporters, why can't we?" he adds.

Other businessmen are upset over tough new laws announced recently that punish individuals found in possession of unlicensed weapons - a further tightening of Pakistan's two-year-old campaign to clamp down on illegal firearms.

Shah Qurban, another businessman, says: "These laws are made without understanding our situation. We are born, raised and die under the shadow of guns. The government should help us to change our source of bread and butter, because even new laws cannot stop the gun business."

Rest, work and play by the gun

Firearms ownership, dealership and production are routine in sleepy Danao, finds Justin Morozzi

Graham Greene would have enjoyed Danao, a sleepy coastal town in the southern Philippines and home since 1928 to a thriving illegal firearms manufacturing business.

Under an unforgiving sun and a heavy blue sky, fishing boats or bancas, with bamboo outriggers, bob gently on the calm sea. Fishermen squat in front of rough wicker baskets selling their catch. A cassocked priest glides into the crumbling 18th century Santo Tomas church.

Anti-corruption signs - as sure a sign as any of its unchecked rampancy - rust on telephone poles, overlooking the faded pink hougainvilles which line the central stretch of the dusty road. "The only way to solve graft and corruption - if there are no givers there are no takers," they warn.

Danao has long been run by one clan: today the local congressman, mayor and vice-mayor are all Duranos. In the free-wheeling culture of the Philippines, where Asian machismo, the American dream and Latino fiesta spirit jostle for pre-eminence, gun ownership,

though officially prohibited, is widespread.

In Danao, with its rich history of gun manufacturing, whether of the legal or illegal variety, opposition would be counter-productive since the industry provides a living for 15,000 people, a little less than a fifth of the town's population.

Here, in the relaxed, breezy atmosphere of a small seaside town, gun aficionados can choose from fake Ingram machine pistols, Smith and Wesson revolvers, Colt .45s, Berettas, Ithaca shotguns and, depending on one's firepower requirements, Uzi sub-machine guns.

Ten years ago, the biggest customers were Japanese *yakuza* crime gangs. "A Japanese guy and his Filipina girlfriend came here once in the early 1980s in a taxi from Cebu. Just roaming about without knowing anyone," says the affable Dodong Gingo, the epitome of the small-time Filipino gangster.

"They drove past a few times and eventually I signalled to them. 'You want one of these?', demonstrating a gun. He bought 232 pieces, mostly revolvers. He was very gutsy,"



Gun licence: Nestor Sabayon (left) and Winnie Banzon

Sporting a turquoise vest with the legend "California - where life's a beach", two gold medallions, a pair of shorts and flip-flops and packing a fake Beretta he bought from a friend for 18,000 pesos (\$388), Gingo is one of the town's leading underground gun-dealers.

Next week he faces arraignment for the possession of a Colt .45, but the prospect of his first brush with the authorities in 23 years of firearms trafficking leaves him unruffled.

"As far as I know, no one has ever been convicted of

either the illegal possession or manufacture of firearms. In fact, these days the police are our main customers, along with businessmen, gun-runners and politicians."

He took me to see one of his suppliers, the town's only manufacturer of fake Berettas, as well as the Colt .45, 1911 model, and a Far-audience 14-shooter.

Hidden on one side by the tall, green fronds of a sugar cane plantation and on the other by a handful of palm trees, Felicio Montes runs a cottage gun-making industry, like his father and

grandfather before him.

On the sound of our approach, fearing it was a police raid, the workers scrambled into the plantation and were instantly lost to sight.

On the small work table lay the tell-tale signs of the illicit trade: a chunk of scrap metal (12 pesos a kilo from the local junk store) crudely cut into the shape of a gun, together with vices, hammers and assorted tools. In the furnace-like heat of a tiny space just large enough to house a single bed and a post drill, Montes' 12-year-old son is boring a barrel for the latest Beretta.

For those customers who prefer to buy genuine Philippine rather than fake models, two manufacturers have recently been granted licences. After lobbying for the legalisation of the industry for 10 years, the Workers League of Danao Multi-Purpose Co-operative, based in a steamy warehouse leased for free from Congressman Ramon Durano III, already has one line in production.

The Lapu-Lapu economy revolver, named after the Filipino chief who dispatched the Portuguese

adventurer Magellan to his death in 1521, is yours for 2,500 pesos. The Rizal P45 pistol, named after Jose Rizal, the national independence hero, is aimed at the security forces market and will cost 6,000 pesos.

Winnie Banzon, the co-operative's enterprising designer, is applying for 11 patents for his master creation, the top of the range, Bonifacio multi-calibre .387 7-shooter Magnum. As Nestor Sabayon, chairman, observes: "This model has many new features. For example, the firing pin is only raised when you pull the trigger."

"This is a lot better than a Smith and Wesson or a Colt .45."

With authorised capital of only 325,000 pesos, however, the co-operative is struggling to keep its head above water. All models are handmade because it cannot afford a fully automated production line.

"There is a big market out there for the military and law-enforcement agencies, but right now we can't sell to them because we don't have the financial capability," says Sabayon. "A foreign investor would be very welcome."

Europe

A new town with old principles

Vitrolles is putting the French first, says Nicholas Woodsworth

For many years I have lived in Aix-en-Provence in the French Midi. Provence has been an agreeable place to live, although hardly the sun-soaked and heavily fragrant idyll of literary fantasy. Lately, however, I have been wondering just how agreeable a place it really is.

Not all of us have press our olives at home or buy our goat cheese from the salt-of-the-earth peasant at the farmhouse, down the road. For years now, like most of the local peasantry, I have done my shopping at the *hyper-marché* - the French version of the monstrosity large commercial shopping centres now to be found throughout Europe.

The biggest one in the area, Carrefour, lies 20 minutes' drive from Aix in the town of Vitrolles. A far cry from the 18th century elegance of Aix, it is one of France's *villes nouvelles* or new towns, conceived in the 1960s as a hub of commercial and industrial activity close to Europe's second-largest port, Marseille.

With only 40,000 people, Vitrolles is of no great size, but it has cast itself - at least in the past - as a town with a continental perspective. Today its large commercial and industrial zones are home to a wide range of multinational companies, including Ikea, Kodak, Toys R Us and Coca-Cola.

Some of Vitrolles' 38,000 inhabitants work at the Shell refinery a few miles away. The biggest business in town, employing one-third of the workforce, is the Franco-German aviation company Eurocopter. The Arbois Plateau behind the town has been designated a "Euro-pole" - a continental centre of high technology for the 21st century. It is a town, one would logically think, then, that for its own well-being would value the pan-continental principles on which a liberal and unified Europe is being built.

But not everything is logical in Europe. If, like the European aristocrats of the 18th century, the political and economic elite in Paris find common cause with their counterparts in other European nations, the people of Vitrolles do not.

The town may well be a symbol of the international European mono-culture looming on the horizon. But, then again, it may not. Last time I went shopping there I was astonished to find that

"When we blame others for our own problems we end up isolating ourselves more and more until nothing is left," she said. "The National Front is attacking modern European democracy, not just economically, but politically, too. When I try to protest F.N. initiatives in council meetings my microphone is turned off. I am told that the majority rules and I have no right to speak."

I finally went off to the town hall, where I met Hubert Fayard, who as F.N. deputy-mayor handles the day-to-day running of Vitrolles - the mayor, Catherine Megret, actually lives in Paris with her husband Bruno Megret, the F.N.'s chief strategist and contender for succession to the party leadership of Jean-Marie Le Pen. I asked Fayard why he found the idea of a strong European Union so abhorrent.

To protect the people of Vitrolles, he replied, French interests must always come before European interests. The abolition of frontiers, the introduction of a common currency, the power of a European parliament to influence national legislation: all lead to "globalisation" and the breakdown of French national values.

"The French are a sovereign people," he said. "It is they who shall make decisions, not Brussels. Anything else would be slavery."

Two-thirds of all Frenchmen, he said, approved the F.N. programme of *Les Français d'abord* - French first - a policy that would give the French priority over foreigners in all matters of employment, housing and social benefits. Even now, he added, there is no place for immigrants in Vitrolles.

"Already we are winning the battle of minds; now comes the electoral battle," he said, noting that the French press now talks of "Lépenisation" - the legitimacy increasingly granted to far-right views by the French public.

I made my way back to Carrefour, thinking of Le Pen's own vision of Europe under the tutelage of what he proposes calling "Eurostat" - a continental grouping of far-right nationalists. While I have not given much thought to the idea of Europe in the past, I reflected, it might be wise to start doing so now.

The forces that brought the Front to power in Vitrolles are the same forces present in many French towns today: high unemployment, rising crime and a sense of urban insecurity, a loss of faith in traditional political parties that have done little to solve urban problems, and a fear that

At Christie's in New York on Tuesday one of the most celebrated of rich men's baubles was up for auction, a Fabergé egg. The Pine Cone Egg, made in 1900 of deep blue enamel and embroidered with rose cut diamonds in the St Petersburg workshop of Carl Fabergé, was expected to make in excess of \$3m. It failed to sell.

The reason is not hard to dig out. The Pine Cone is not an imperial egg, one of the 50 given as Easter presents by the last two Russian tsars to their wives and mothers. So despite its good size - 9.5cm high - its unique design, and the fact that it was the first Fabergé egg to contain a surprise (a silver and enamel elephant, which swishes its tail, lurked inside), there were no takers.

The collapse of the Soviet Union, and the opening up of its archives, has sent a frisson of excitement, and some dread, among the small coterie of the super-rich who own, or who have set their hearts on owning, an egg designed and made by Fabergé. This month, Chris-

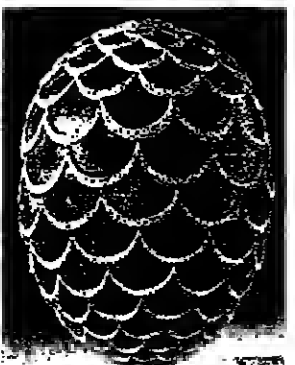
No new nest for Pine Cone

Antony Thorncroft unscrambles the history of Fabergé eggs

tie's publishes the definitive book on the subject and it will cause some pain, not least to the keenest collector of Fabergé eggs, the Forbes family.

The late Malcolm Forbes, of Forbes Magazine, acquired it, the largest collection in the west. His closest rival as a private owner is Queen Elizabeth, who has three in the royal collection. Two of the Forbes eggs are among the six once considered as imperial gifts but which have now been dropped from the official canon: the archives have yielded no documentary proof that they were ordered by the tsar.

Without the imperial provenance market value falls, as the Pine Cone confirms. Until 1979 it, too, was regarded as an imperial gift. Then researchers proved that it was made for Fabergé's second-best customer for eggs, the industrialist Alexander Kelch, who ordered seven for his wife.



The Pine Cone Egg of 1900 - lacking imperial credentials

The fact that it is a mechanical joy encouraged Christie's to place a high estimate on it. But even if it had sold it would have proved a poor investment for Joan Kroc of San Diego, who paid \$3m for it in 1989.

Forbes was shrewder. He had a genuine interest in the jeweller's craft; he also started collecting at the right time. He paid \$38,000

for the Imperial Bay Tree Egg in 1966, and acquired a clutch of imperial eggs from the London dealer Wartski for \$2.16m in 1979. This compares well with the record \$5.5m paid for the last imperial egg to appear on the market, the Winter Egg in 1995.

But the real killings were made in the 1920s and 1930s, when the Kremlin sold off many eggs to the west for a pittance to raise hard currency, often using the services of the mysterious Armand Hammer. Among the bargain hunters in those days was King George V. In 1932, he bought the Mosaic Egg from Cameo Corner in London, paying £250, which was invoiced as half the cost. Presumably, Queen Mary paid the other £250, even though the egg was to be her birthday present.

Some jewellers think that \$500 is just about the right price to pay for a Fabergé egg. No one claims that the

jewels used in their composition are of exceptional value. The attraction for collectors is the design and the workmanship in the eggs. "There will always be people who think they are kitsch," says Alexis de Tiesenhausen, head of Christie's Russian Works of Art department, "but you only have to examine them with a microscope to see how perfectly they were created."

Fortunately for the auction houses, and top egg dealers like Wartski, there will always be plenty of potential owners of imperial eggs, although, as de Tiesenhausen says, "only those buying because they love them will have a good investment". There was a speculative period in Fabergé eggs, in the late 1980s, which came unstuck during the recession. This week's price suggests the world's rich are still hesitant about paying millions for a spectacular talking point.

The latest research answers all the questions about imperial eggs, and confirms that few are ever likely to reach the market. There seems no desire for Forbes to sell and, if it happened, the market would take fright. Only four eggs are in private collections, all in the US. Prince Rainier of Monaco has one, which he could put in *extremis* but the rest seem secure in their museums and foundations.

There is no chance of any of the 10 imperial eggs which remained in Russia being sold. They are regarded as among the greatest treasures in the Kremlin Museum. What is more fascinating is the fate of the eight missing eggs, looted at, or just after, the Revolution. Now that the archives have yielded detailed drawings of all the eggs, if one did emerge into the daylight there would be no problem authenticating it. Perhaps some Russian family has been treasuring one as a nest egg.

■ *The Fabergé Imperial Eggs*, by Tatiana Fabergé, Lynette G. Proler, Valentin V. Skurlov, Christie's Books.

BOOKS

Arthur Danto combines the roles of philosophy professor and art critic of the *Nation* with great ease and panache, because his philosophical work is devoted to art criticism, and his art criticism is informed by his philosophy. Some academics are "engaged" and some are cloistered; he is a vivid example of the former, and proves that debate of the highest levels of sophistication and quality belong in the open.

This book began life as the Mellon Lectures in the Fine Arts, and has a wide range: pop art, the future of museums, current controversies, art history. Among its chief interests is Danto's revisiting of his controversial claim, made in an essay published in 1984, that "art ended in the sixties".

Publication of the essay coincided with his appointment at the *Nation*, a happy juxtaposition for someone with Danto's views, because at that period the art market in America was riding high, fresh graduates from art schools were bypassing the starvation-in-a-garret part of their training, and the explosion in styles, aims, claims and contrasts - in short, the great postmodern gallimaufry and fireworks display - was in full swing.

It's all in the eye of the beholder

Can Brillo boxes be art? A.C. Grayling investigates the transfiguration of the commonplace

Danto was and remains the high priest of pluralism, and arch-critic of the view that art has a distinctive essence, with its own particular narrative and tradition. Danto saw this view as having its inevitable terminus in the age of manifestos in the early-20th century, with its competing claims that just this or that kind of work is historically mandated as art, and that anything must be shut out. He describes this as akin to ethnic cleansing, and vigorously argues for pluralism instead.

The philosophical question about art is usually taken to be: what is art? On the basis of the foregoing Danto argues that this is wrong, and that the question should instead be, "what makes the difference between a work of

art and something not a work of art when there is no perceptual difference between them?" His inspiration for this rev-

After the end of ART by Arthur C. Danto Princeton University Press £18.95, 239 pages

tion of the key question, Danto says, was Andy Warhol's "Brillo Boxes". Danto thinks that "Brillo Boxes" are art, and yet that they are indistinguishable from Brillo boxes in a supermarket. Why were they art when

first displayed in the Stable Gallery in East Manhattan back in April 1964, and not art, before or since, in any supermarket?

The full answer is offered in such of Danto's earlier works as *The Transfiguration of the Commonplace*. In summary, his thesis is that a work of art is not identical with the physical thing that supports its existence, and that it is constituted by an act of interpretation by the viewer. These claims are worked out with much supporting argument and ingenuity in his writings, and have occasioned much discussion in response. But it is immediately clear how they pro-

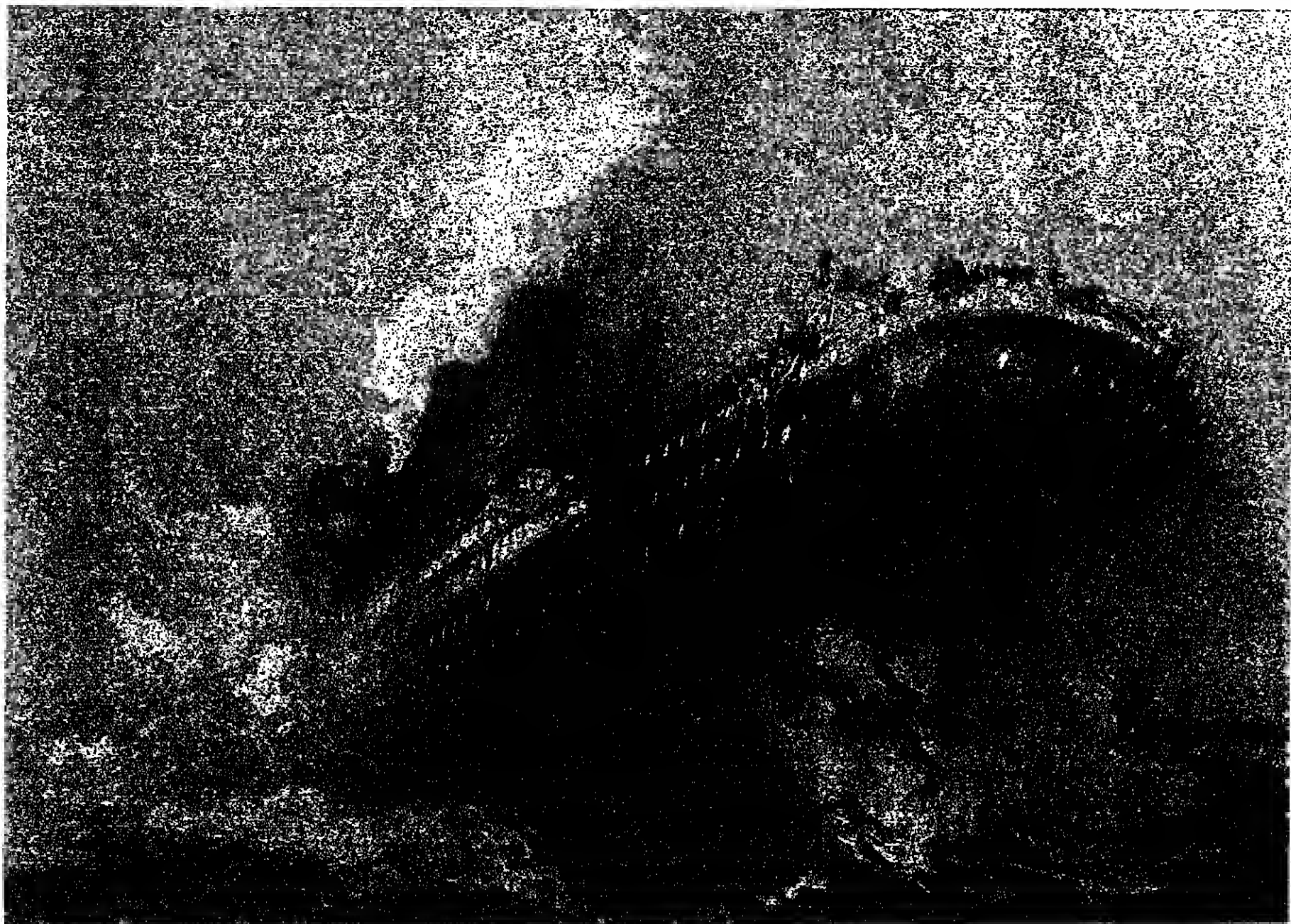
vide a supermarket hoxes into art.

These views do however prompt a difficulty. One does not interpret in a vacuum. Interpretations depend on conceptual context, theory, and tradition. If a work of art is constituted by interpretation, how can the post-modern acceptance of radical pluralism in art guide us in judging?

It might be supposed that much of Danto's applied criticism is aimed at demonstrating the answers to that question. But the theoretical unease remains. Postmodern pluralism celebrates the abandonment of fixed canons

of judgment, fixed standards, belief in essences and the possibility of definite answers. It is hard to see how a postmodern art criticism can allow that there might be fraud, irony, trickery. Indeed, its principles exclude them: all is serious. If I pick up a crumpled bag packet on my way to the gallery, and put it on a plinth with a name - "Pissarro in Montmartre" and a high price tag, it becomes art because it is offered as such and because those who are afraid to see imperial nakedness interpret it as such. Is there a route through this kind of reaction?

If there is, Danto is one of the best qualified to help us navigate it. The chapters in this book are a challenging read, but a good one, because they take us to the heart of a living and profoundly interesting contemporary debate.



The Titanic's last moments: the picture, which appeared in the Illustrated London News a month after the ship sank in 1912, was drawn from a survivor's account of the tragedy

The Titanic is to technology what Marilyn Monroe is to celebrity: an all-purpose, ever-pliant, inexhaustibly protean symbol for our ambivalent times, a once-recalcitrant and vital fact now made-over into a submissive and bloodless fiction. Considering the myth rather than its muse, we are drawn to the plth, not the husk; the Titanic, like Monroe, surrendered its tart tragedy long ago, and now needs only a subjunctive pervasiveness to survive and thrive.

As Steven Biel makes admirably clear in this intelligent (and, perhaps perversely, entertaining) new book, the ship sank in our sea only to come afloat again in our culture. No sooner were the meagre dry facts securely in our possession - that, on April 14 1912, the "unsinkable" ship had sunk, and that an estimated 1,503 of its 2,008 passengers had perished - than the many moist fictions had begun to flourish.

The news that women and children had survived in far greater numbers than men inspired reporters and politicians to start spinning tales of chivalric self-sacrifice, forming a chorus of praise for those men who "stood back and chose to die". Some were moved to paint a rather darker picture of a ship divided on class and ethnic lines - as though Melville's multi-racial *Poquod* had been mocked by

Ship that launched a thousand myths

The Titanic may have sunk without trace, but the memory of it is indestructible, writes Graham McCann

real-life contradictions - with stories of such well-bred men as John Jacob Astor and Benjamin Guggenheim "bravely, gallantly remaining to die" so that their place in the lifeboat might be filled "by some saboteur, shawl-enveloped, illiterate and penniless peasant woman of Europe".

Whispered reports of Italian males being caught cross-dressing in the hope of slipping over the side to safety, and Chinese, Japanese, Armenians and Filipinos forming a "fear-crazed throng" down below, reassured some readers that chivalry remained an exclusively "Anglo-Saxon ideal", while panic and cowardice continued to be monopolised by "foreign elements".

Songs were composed, novels were written, morals were drawn. In the US (and Biel, who teaches at Harvard, concentrates primarily on that side of the Atlantic), the multiple responses matched the

self-conscious variegation of the nation, with each section of society - feminists, radicals, conservatives, religious leaders and diverse ethnic minorities - all searching the wreckage of the Titanic for special mementos and portents of great significance.

Some saw it as the refutation of

DOWN WITH THE OLD CANOE: A CULTURAL HISTORY OF THE TITANIC DISASTER by Steven Biel Norton £18.95, 300 pages

the Enlightenment's hubristic faith in progress through reason, with Science cast as the sorcerer who is no longer able to control the powers he has summoned up by his spells. Others interpreted the disaster as the event which marked the move from men to brutes, from the civil to the demonic, with the idea

of "civilised" men winning "the battle for death with honour" representing social Darwinism with a strange and bitter twist.

African-Americans - at least the majority of them - mocked the folly of wealthy whites, and produced some powerful folk songs (including the one from which Biel's book takes its title) which amplified this theme.

"Patently destructible in life", one historian observed, "the Titanic has proved indestructible in memory". The second half of Biel's discussion examines the post-war interest in the story, ranging from the still-tipped nostalgia of the 1956 British movie *A Night to Remember*, through the pop songs, plays, documentaries and expeditions and merchandise of the past few decades to the cynicism of the forthcoming Hollywood spectacular from James Cameron. Not all of these references, of

course, managed to inscribe themselves indelibly on our consciousness - Lew Grade's *Raise the Titanic*, for example, lost so much money that he complained it would have been far cheaper to have lowered the Atlantic - but their common source has remained at the core of our culture during the last 86 years, raising doubts, sinking hopes, prompting parables.

The irony is that we are far more comfortable appreciating the multiple fictions than we are coming to terms with the discrete facts. Just as the point most often obscured about Monroe is that she should not have died so young and in such wretched circumstances, so the passengers of the Titanic should have survived to tell their own tales. As the distance between reality and myth increases, one is reminded of the old newspaper cartoon that commented sardonically on Errol Flynn's "heroic" war movies: the caption beneath the pampers actor read, "Excuse me, Mr Flynn, but you're sitting on some graves."

The extent to which cultural historians should indulge us in our myths, rather than shame us for our self-absorption, remains open to contention. Steven Biel's thoughtful treatment of the undeniable cultural resonance of one such myth, however, should serve as a reassuringly sensible, and sensitive, contribution to this continuing debate.

Rooted in Ulster

Kieran Cooke enjoys the recollections of a poet

Northern Ireland's protestants are a funny lot. They dress in peculiar uniforms, light bonfires, march and beat drums till the blood runs from their fingers. They are willing to die in defence of events three centuries ago and indulge in murderous mayhem to keep the scheming Roman Catholics at bay.

This is, of course, a flawed image held by outsiders and by many in the nationalist community in Northern Ireland. The vast majority of protestants are decent people - industri-

ous, careful with their pennies and, like the rest of us, merely trying to get on with their lives.

Robert Greacen is a poet, now in his late 70s, brought up in the protestant areas of Londonderry and Belfast. His autobiography illustrates an often ignored fact of life in Northern Ireland: the province's Catholics and protestants have far more in common with each other than with people south of the border or across the water.

Loyalists might wave the Union Flag and swear undying allegiance to the Crown but their roots are very much in Ireland - in that corner of the island called Ulster. Nationalists might sing, dewy eyed, "Kevin Barry" and "The Wearing of the Green" but they have little empathy with the Republic and its ways. They too are creatures of Ulster.

The problem is each community has different perceptions of history and of the wrongs perpetuated through the years. "History or what passes for history - for the Irish has a reality that can be frightening and which can perpetuate ancient feuds," says Greacen. "The past in Ireland, especially in the north, hangs round people's necks like a gigantic albatross."

Here, in Greacen's protestant household, are the characters so familiar in Irish Catholic literature. The long suffering, protective mother. The father, a dreaming drunkard, at war with his family.

"We lived, for the most part, in a thick fog of non-comprehension. To me he was a darkly brooding, narrow-jawed, moody man who, to my disgust, chewed twist tobacco and spat out liquor-coloured juice, drank a great deal of noxious-smelling whiskey and believed that a man who had not made a fortune was 'no bloody good'. He lacked the gift for happiness or enjoyment."

The father took part, none too sober, in the yearly Orange marches. "The old toast to William of Orange is still repeated today. 'To the glorious, pious and immortal memory of King William III, who saved us from rogues and roguery, slaves and slavery, knaves and knavery, Popes and Popery, from brass money and wooden shoes...'"

Greacen recalls various characters. He was particularly fond of his Uncle George, a farmer in County Monaghan - an area over the border in the Popish south but still part of the ancient province of Ulster. "He belonged to that breed of northerner known as 'dour'", says Greacen. "Farmer, philosopher, prophet of doom, isolationist, bachelor, misogynist, tinkerer with agricultural machinery and red nosed introvert who launched a thousand silences..."

It is a pity that the author does not spend more time recalling life and people in Northern Ireland. In 1943 Greacen, full of literary ambitions, turned his back on Ulster and went south to study at Trinity in Dublin - in those days very much a protestant institution.

He then went on to London, discovering Sobe and bohemian life. His observations are at times interesting



Robert Greacen

but this world has been described far more fully and vividly elsewhere.

There are a few good anecdotes. Stanislaus Joyce, the younger brother of James, visits London from Trieste. "The bald Stanislaus Joyce looked like the stereotypical German Herr Doktor. He said he was going to Dublin for a few days, though he loathed that city... I was amused by his impression that in Ireland everyone now spoke the Irish language. He was worried that English might not be understood any longer!"

Amid all his literary recollections, Greacen has little to say about the continuing turmoil in the land of his birth. Perhaps he feels further comment is pointless. "Peace in our time?" asks Greacen. "We must hope for the best."

Correction

The *Encyclopedia of Fantasy* (250, 1,072 pages), edited by John Clute and John Grant, is published by Orbit, a division of Little, Brown.

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In the game of book associations, utter the name Roy Jenkins and those of Asquith and Gladstone spring instantly to mind as fine biographies produced by an intellectually fastidious pen driven by a mind seasoned with personal and practical experience of statecraft. But for me it is his shortish, forgotten treasure trove, *Nine Men of Power*, that especially repays rereading.

Why? Because it is a fine display of that rare craft - the biographical essay written by a public figure - brought to perfection by one

of Jenkins's nine, J.M. Keynes, in the 1920s and 1930s, beatifically buffed up by Jenkins himself in the early 1970s and rather lost sight of since, partly because men and women of affairs have neither the time nor the passion for the pleasures of the library.

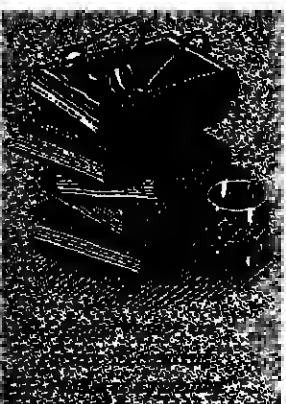
There are other reasons to pluck Jenkins' *Nine Men* from the shelf. They represent an eclectic collection (Keynes, Leon Blum, Ernest Bevin, Stafford Cripps, Joe McCarthy, Lord Halifax, Hugh Gaitskell, Adlai Stevenson and Robert Kennedy).

Jenkins recreates them with a mixture of loftiness and, especially in the cases where they were known to

him, intimacy. Even though Jenkins did not know him, you find yourself almost at Keynes' side when he's tussling with the Americans over Bretton Woods or the postwar Loan to Britain.

Cripps' singular combination of intellectual brilliance, highly fibred personal morality and sheer political silliness come out wonderfully flavourfully. Jenkins has, to borrow from W.S. Gilbert, "a pretty taste for paradox", and the gifts of a High Court Judge when it comes to summing up.

"For all its lucidity [Cripps'] mind had a certain narrowness", he wrote. "It embraced no great store of literary culture. His



houses... contained remarkably few books... His famous asceticism was medically

imposed rather than self-generated... He argued from moral purpose not from a brief. He had an almost Gladstonian fervour and conviction of personal rightness, undisturbed by any change of his own views... He was at once clever and naive, penetrating and unsuited. Although personally insular, his sympathy embraced the world, without understanding most of the people in it." And so on.

Only recently did I realise how much Jenkins' style had influenced my own (though I came nowhere near matching it). I am engaged in the preparation of a study of the British premiership since 1945: at the core of the

book lies a series of biographical essays of the postwar 10 from Attlee to Major. In stretching for the right tone and pitch as well as length, *Nine Men of Power* is my example.

Nine Men also has a dash of malicious fun for in it. Roy Jenkins invented a wicked game when he wrote of Eryk Bevin that he started as Foreign Secretary "with the qualification that there was no other position in the Foreign Office, unless it was that of a rather truculent lift man on the verge of retirement, which it would have been possible to imagine him filling."

Play the Jenkins/Bevin game when the new cabinet is appointed. Ask yourself where each cabinet minister would be in their departments' hierarchies if they had sought a position on the basis of Civil Service competitive merit rather than spoils-sold political patronage. Fun, isn't it?

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BOOKS

Chinese whispers from the poets

Craig Raine longs for some controversial commentary from Seamus Heaney and Ted Hughes

The *School Bag* is a characteristically generous, intriguing, wide-ranging, often surprising anthology compiled by our two most distinguished poets, the Nobel Laureate, Seamus Heaney, and the British Poet Laureate, Ted Hughes. Yet it is widely seen to be overshadowed by its extraordinary predecessor, the renowned *Rattle Bag* (1982). My problem with it goes back a long way.

Thirty years ago, Ted Hughes published *Poetry in the Making*. Part anthology, part instruction manual, it is a pedagogical guide to writing poetry - culled from radio programmes made for the BBC Schools Broadcasting Department. It is an unsurpassed masterpiece of suggestion and provocation, sparky, inspiring, spontaneous still, engaging and impossible not to engage with. Its aftermath, for example, is curiously unconvinced by language's ability to cope with the sheer immediacy, the *thingness* of the world: "there are no words to capture the infinite depth of crowiness in the crow's flight."

Oddly for a writer, Hughes here adopts the position of the literary theoretician for whom the inadequacy of language is

is real. It isn't. Most of the time, reality, as most people perceive it, is experientially impoverished. When we see a crow, for instance, we don't in fact see it. Or we don't see it with an iota of the vividness conveyed by Hughes's phrases. Just as the word "crow" merely denotes a particular bird, so the bird signified is merely registered in the normal course of things. We do not apprehend it. Language can do that for us, which is why we value art.

Good writing is to reality what good criticism is to literature: it describes, selects, contemplates defining features, beauties, flaws; it puts reality on pause; it searches the freeze-frame, it is an act of measured consideration, of accurate re-presentation. When Marianne Moore compares the top of a fir tree to "an emerald turkey-foot", we see the fir tree more stereoscopically than before. The metaphor involves two hits of knowledge, common to most of us, but kept separate - the top of a fir and the shape of a turkey's foot. Moore brings them together in an act of shared recognition. But re-cognition is how we should understand this process. We are being asked to re-think, to *think again*, because our first thoughts are barely thoughts at all. They are reflexes. As the crow flies. Think how little that means. Consider, then, how much Hughes and language have contributed to reality: focus, sharpness, magnification, intensification and, yes, reality. To "reality" art lends *reality* - italics, emphasis.

When I was poetry editor at Faber a decade ago, I remember discussing the putative shape of *The School Bag*. It was to distinguish itself from the rowdy, competitive, maverick, bizarre, original accumulation that was *The Rattle Bag*. *The School Bag* would select from the canon of English poetry, from the familiar, from old and justified favourites - but it would offset and upset this canonical calm by grouping the poems according to subject or theme, so that, for instance, Wyatt's "They Flew From Me" might be in a section of poems about sex, introduced by Hughes and concluded by Heaney. Or vice versa. In other words, the implicit model was to be Hughes's earlier educational text, *Poetry in the Making*. The commentators might be mischievous, co-trailing, idiosyncratic. The editors might disagree. Or take a different tack. The prose would set out to stir the pot.

So I was looking forward to being teased, enlightened, mysti-



fied, enraged, but above all made to think. *The School Bag*, however, has only the most perfunctory preface by Heaney and an afterword by Hughes on memorising poetry, which is a straightforward reminder that poetry can't be learned by mindless repetition, that learning has to be a conscious process. Both pieces are safe, worthy and a bit dull - like the anthology itself for much of the time. This is partly because it shares 28 poems with *The Rattle Bag*. On the other hand, the editors include 130 authors not previously represented (with one poem per poet, except for the prolific anon). But these "new" authors tend to be the likes of Arnold, Milton, Chaucer, Skelton, Langland, Spenser, Goldsmith, Chapman, Southey, Pope, Fulkke Greville, Rochester and so on. George Herbert's old standard, "The Collar", outstays its welcome, the several Zbigniew Herbert poems included in *The Rattle Bag*. Now we find Lyt, Meredith, Cowper, Swinburne, Gerard Douglas, Swift, Campion.

Swinburne. A poet at once standard and largely unread, whereas the other known, name-poets tend to be unread only in anthologies because their works are too familiar. (A mistake to be avoided with this anthology, as I shall explain.) Part of the undeniable interest here is guessing why an inferior poem has been chosen. The extract from Swinburne's "Hymn to Prosperine",

with its notorious attack on the "pale Galilean", is presumably here for ideological reasons, since it is also a lament for the demise of paganism.

Hughes, after Yeats, is the last representative of this strain in English literature. *Gaudete*, for example, is drenched in Nietzschean tragic joy. Its title's Latin imperative links directly to Yeats, who described Nietzsche as "that strong enchanter" and who wrote this line in "The Gyres": "Out of Gaea comes a voice! And all it knows is that one word 'Rejoice!'."

It is Heaney's ideology, however, that is presumably responsible for the inclusion of so many translated poems from the Irish, Welsh and Scottish Gaelic languages. Not that Hughes would be unsympathetic. For Heaney, the decision is "worthwhile and timely", a phrase not exactly awash with gusto or enthusiasm. Would that more of the traditional material had shared the hilarious callousness of "Johnny, I Hardly Knew Ye", in which the abandoned beloved returns from war transfigured by wounds: "You haven't a leg, / You're an eyelless, noseless, chickenless egg; / You'll have to be put in a bowl to beg; / Oh, Johnny I hardly knew ye!" The same instinct for positive discrimination accounts for the inclusion of several undistin-

guished Australians. Kenneth Slessor is often described as Australia's T.S. Eliot but he more nearly resembles one of our duller Georgians. The Slessor poem here also touches on Ted Hughes's own treatments of the first world war as continuing psychic nightmare. It is, though, a resounding dud.

There are too many worthy duds in *The School Bag*. And there are too many poems redeemed by a single touch. Hart Crane's "Repose of Rivers" seems to have been chosen for its temperamental affinity with Hughes. It is about returning to the cradle of childhood and nature - a nature redolent with menace and the anachronistic poetic spoor of "Ted Hughes: 'the pond I entered once and quickly fled - I remember now its singing willow rim'". Irving Layton's "Cat Dying in Autumn" is another thin poem with one saving observation: the cat moaning "Till the fates / Opened and shut on no sound".

Layton's poem is part of a sequence, one of many in *The School Bag* which have replaced that original idea of an obvious, announced topic, on which teachers could base a lesson, as in *Poetry in the Making*, or James Fenton's master-classes which appeared in the Sunday Independent and were classroom fodder by Monday. The implicit "narrative" connecting poem to poem begins with Skelton's lament for his dead sparrow, continues with

Layton's cat, and modifies into two funeral dirges - one from Western's *The White Devil*, one taken from Britten's *Serenade for Tenor, Strings and Horn*, an anthological as well as musical work which has been much drawn on for this collection. The "unhousel'd" quality of the second dirge leads naturally into Mangan's "Siberia" with its legendary icy wind. Which in turn shifts to the comic meteorology of "Banjo" Patterson's "cloud of thirst" and thence to the inadvertently comic fatal wind of McGonagall's "The Tay Bridge Disaster". This is followed by the anonymous Welsh "The Wind", whose rationale is that no one is to blame for natural disaster. Fate, therefore, becomes the leading theme of three following poems where Patricia Beer's position is struck by lightning for no good reason, and Housman's criminal is condemned for "the colour of his hair" (a figure for chance, accident), and Wilde argues in the "Ballad of Reading Gaol" that guilt is universal while only punishment is specific.

The School Bag, then, is organised a little like a chain letter or a game of Chinese whispers. Or theme and variations. And while this sometimes dictates some duff choices which simply happen to fit, it is also absorbing in its own right. More importantly, as a method, it places familiar poems in transfiguring contexts.

Wordsworth's much anthologised "Resolution and Independence" benefits hugely from this technique. It ceases to be either the tritely moral poem beloved of readers of the *Golden Treasury*, or the poem interpreted by the academy as a Wordsworthian encounter with a solitary who is an ambiguously human figure and therefore a possible conduit to pure nature. Here, the leech-gatherer is Wordsworth's doppelgänger (one of a series of doppelgängers) and a figure for the poet as his subject matter gives out.

Likewise, the proximity of "Banjo" Patterson's comic verse to McGonagall's epic ineptness makes me wonder if the Scot isn't adventurously comic. Consider the seven full rhymes on the sound "ay", followed with perfect off-key comic timing by a line which is metrically a dog's brunch, ending with a clanging non-rhyme: "Oh! ill-fated Bride of the Silvery Tay, / I must now conclude my lay / By telling the world fearlessly without the least dismay, / That your central girder would not have given way. / At least many sensible men do say, / Had they been supported on each side with buttresses." I feel the same way about this anthology. It couldn't fail to be interesting, given the space and the choice. Look at the wonderful selection from Whitman's *Song of Myself*. But it would have been better with buttresses - sharp, short, supporting essays.

After reading this book I went out for a long, brisk, aerobically challenging walk to buy a bottle of multi-vitamins and a pyramid of fresh fruit and vegetables. I suspect I won't be the only reader of *The Undertaking* who embarks on a brief but dramatic regime of health and fitness, because this is a book about corpses, funerals and death.

Thomas Lynch is well-equipped to write about such matters. In literary circles on both sides of the Atlantic, he has a growing reputation as a fine and accomplished poet.

However, in his home town of Milford in Michigan, he has a much more established reputation - not on account of his poetry but of his day-job, because he runs the firm of Thomas Lynch & Sons, Funeral Directors. Here, in *The Undertaking*, he offers a series of reflections and insights provided by his 25 years' experience of burying and cremating several hundred of his fellow-citizens every year.

Lynch is well aware that his profession suffers a certain public-relations problem, particularly in America,

Serving the living by caring for the dead

Harry Ritchie muses on the reflections of an American poet and undertaker

where death is even more of a taboo subject than it is elsewhere in the west, and where the mortician's craft has come in for a fair lambasting - first from Evelyn Waugh's satire, *The Loved One*, and soon after from Jessica Mitford's expose, *The American Way of Death*.

While acknowledging that anyone in their right mind would rather visit the dentist for root-canal work than visit a funeral home, Lynch reminds us of the dignity, care and skill demanded of undertakers, instancing the devotions of his chief embalmer, Wesley Rice, who once attended the body of a girl who had been horribly battered to death: eschewing the less difficult option of preparing that corpse for a closed casket. Wesley spent 18 hours restoring the body to a condition that made it possible for the mother to look on her daughter for one long, last time.

Jessica Mitford would have interpreted Wesley's attentions as "barbaric", "fussing" over a dead body, but Lynch, more humanely,

defends this as an example of "serving the living by caring for the dead". Later, he adds up the "grave arithmetic" - "Where death means nothing, life is meaningless" - and elsewhere offers the following sombre litany of unimportance: "McFunerals, McFamilies, McMarriages, McValues".

But this book is far more

THE UNDERTAKING: LIFE STUDIES FROM THE DISMAL TRADE
by Thomas Lynch
Cape £9.99, 226 pages

than an apology for Lynch's chosen profession, or a slow-paced, po-faced, black-ribboned memento mori. Remarkably enough, the 12 essays in *The Undertaking* are extremely lively "life studies", which combine memoir, autobiography, commonsensical reflections, and some marvellous flights of fancy, including Lynch's own crazed daydream of creating lush greenwald that could function (very profitably) as both cemetery and golf course.

Other highlights feature

some oddly convincing thoughts on the role of the flush toilet in rendering us less able to deal with the unpleasantness and miseries of life. And I hugely enjoyed a terrific character study of Lynch's friend and fellow-poet, the magnificently hypochondriacal Matthew Sweeney - whose flat in Bloomsbury is handily situated among a variety of hospitals - who has anxiously consulted specialists about every known irregularity except pregnancy but including pre-menstrual tension, who once visited the nearby hospital for tropical diseases to hand in a urine sample to be screened for the Ebola virus, and who claims to be the only known survivor of Mad Cow Disease.

Lynch's sense of humour and the ridiculous - a handy attribute, one imagines, for a person with his career - shines through even when he is tackling topics more obviously serious than Matthew Sweeney's extensive list of medical specialists and their deeper numbers. One issue that he deals with particularly well is that of

assisted suicide - a contradiction in terms, as Lynch points out during his analysis which shows up this practice of "medicide" as a sham by reducing it to the absurd.

Why, Lynch asks, do these suicides and their assistants use only lethal injection? Why not electrocution ("Sit here. Relax. Take a deep breath. Press here.")? Why not a silver bullet from a .22 calibre Smith & Wesson? Simply apply just under the right earlobe and press, while holding in the left hand the lid of a rubbish bin in order to catch any debris as well as the silver bullet.

Lynch's uncharacteristically contemptuous dismissal of the celebrated proponent of assisted suicide, Dr Jack Kevorkian, is clearly motivated by the certainties and precepts he has learned during his 25 years of serving the living by caring for the dead - life is precious, the dead matter, bad things happen.

It does me no credit that I opened this book with a heavy heart - and finished it with a twitching anxiety about my heart, an anxiety of which Matthew Sweeney would be proud. And it is to Thomas Lynch's credit that the hours between these two events I spent being enthralled, enlightened and entertained.

The Undertaking would have given both Evelyn Waugh and Jessica Mitford much to think about. But they can't read this book, can they? They're dead.

An existential battle with the golf ball

Justin Cartwright tees off with John Updike in his often funny, sometimes absurd pursuit of the game

I have had one golf lesson in my life, with John Jacobs. Nobody I have ever met looked more firmly wedded to his era, that time which passed almost without trace, a time of brilliant hair, fags behind the ears, cars with walnut panelling, men in blazers and women in dresses made of sofa fabric.

Jacobs had one remarkable trick; he would say that hitting a golf ball was all to do with your hands, and while telling you this he would strike the golf ball without looking at it. On the very rare occasions I play golf I rely utterly on this method, although I have introduced the refinement of glancing at the ball briefly. It doesn't always work.

John Updike, to judge from this collection of his pieces on golf and extracts from his fiction, has had hundreds of golf lessons. He has read manuals and he has worried about esoteric details of grip, weight transfer, head movement, swing speed and much, much more.

Golf has clearly been an existential battle for Updike, an attempt to match the soaring golfer of the imagi-

nation to the rather more earthbound golfer somehow trapped within his frame. He is extraordinarily funny about the game. But more than that, typically he displays his deep understanding of the absurdity and rather muffled nobleness of humanity.

No more so than in the three extracts from the *Rabbit* books, starting with *Rabbit, Run* in 1959 and ending

GOLF DREAMS
by John Updike
Faber £13.99, 201 pages

with one of *Rabbit's* last rounds, in 1989. From the purely literary perspective, it is a fascinating to see Updike's steady in his literary style, rather like an old golfer who has found a swing that works.

It is also fascinating to see how intensely he records the actual appearance of golf courses, the "green alleys" and "pagan groves" or, a tropical course, "riding in canopied cars down serene fairways laid out between brambly jungles from which there is no recovery" and of

a poor lla in Florida: "the palm tree is one of those whose trunk looks like a giant bird. It breathes on him, with its faint rustle, its dim smell like that of a friendly attic full of dried-out old school papers and love letters." This is not golf writing for the club house, that's for sure.

Another piece deals with caddies. "The fact is, most Americans are uneasy with servants." He describes Scottish and Irish caddies: "... this is their career, pursued day after plodding day under a dark cloud of Celtic stoicism and alcoholic vapours. Standing downwind from one is enough to make your putter wobble."

Other pieces are short stories, fragments of autobiography, Near Yorker pieces and memoirs. All describe golf with marvellous physical intensity, and all contain that generosity of spirit which is Updike's hallmark.

Above all, this is part of the Updike oeuvre, a depiction of the often futile, usually absurd but - very occasionally - transcendent passage of mankind through life.

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ARTS

This year marks the tercentenary of the birth of William Hogarth who, if not the very greatest, was certainly the first great English painter, native-born. It was, indeed, his ambition to found that proper English School in Art, by which we now readily call to mind artists of succeeding generations as various as Reynolds, Gainsborough and Stubbs, Turner and Constable. The irony is that Hogarth himself remains an isolated and controversial figure – alone even in the fortuitous distinction of having a roundabout named after him.

And again, rather than by the more usual single major exhibition that might demonstrate his achievement in all its aspects, the anniversary is being marked throughout the year by various means – concerts, lectures, particular exhibitions. The first of these, at the Tate, is a small but distinctive display of the Tate's own clutch of Hogarth's paintings, augmented by a dozen or so significant loans: some 30 works in all.

But why "Hogarth the Painter", as though to state no more than the obvious? The simple answer is that, although he was indeed a painter, and eventually a great one, he was not always so; and even his work as a painter is considered quite as much for its narrative and satirical content as for its painterly qualities.

Hogarth was trained as an engraver, and it was on the prints he published after his own satirical series – *The Rake's Progress*; *Marriage à la Mode*; *Gin Alley*; *The Election* – that his contemporary reputation largely rested. He began to paint seriously, it seems, only at the age of 30, when he won a commission to design a tapestry. This project ended, if not in tears, at least in court. He himself admitted it to be "a bold undertaking", for he had "never done anything of that kind before", and it remains unclear whether he ever had any formal training as a painter at all.

Certainly the lack shows in the genre and conversation pieces which followed in the early 1730s, delightful though the particular detail and individual characterisation so often are. And clearly, he learnt fast. Formal though the occasion, and to a degree the composition, is in the "Private Performance" of 1736, the pictorial space has eased away from the earlier stiff and frontal theatricality onto a more relaxed diagonal. And the audience too has now relaxed. For all their finery, these are real people, in a real place. Hogarth's gift for naturalism, whatever polemic it might serve, is already manifest.

That very innocence, perhaps, matched to a confidence in taking anything on, was what allowed that naturalism, untypical of the time, to flourish, and his natural talent along with it. It is in this that *Hogarth the Painter* makes sense. And the Tate's holding in his work, resting



'The Shrimp Girl' by William Hogarth: a wonderful creature who, like the Mona Lisa, doesn't get the attention she deserves

Naturalism ahead of its time

William Packer reviews 'Hogarth the Painter' at the Tate Gallery

as it does rather more on his figure and portrait than his narrative work, is peculiarly well placed to make the point.

Most effective of all are the two unfinished heads, barely more than sketches, hung near enough together: one from the Tate, supposedly of Lady Pembroke, of 1740 or a little before; the other the National Gallery's "Shrimp Girl", long dated at about 1745 though now put some five years later. The slight conventional idealisation in the character of the earlier painting, and the fleeting, winning smile of the later, have led to the suggestion that they are not portraits but inventions.

It cannot be so. Even the subtle, barely perceptible modelling of the Lady Pem-

broke's so delicately coiled and straying hair bespeaks a close and immediate observation, while the actual modelling of the features and the infinite modulation of tone and colour across the face, even to the hint of reflected light beneath the chin, would have been possible only in the presence of the model.

As for "The Shrimp Girl", so popular an icon is she that, rather as with the Mona Lisa, we have long since stopped looking at her with any attention, let alone the attention she deserves.

She is a wonderful creature, unfinished certainly by the conventions of the 18th century, but more than enough in the statement for

our modern sensibilities, tutored by impressionism and expressionism. The handling is so free and uninhibited, so celebratory of the paint and the painted mark, and yet so particular in suggestive description. And the face itself, incomplete in comparison with the wonderful faces of the artist's servants of more or less the same period, around 1750, is no less closely modelled so far as it goes. Hogarth was ever interested in the nuances of expression. The whole thing speaks out loud and clear of the laughing presence of the model in the studio.

The two rooms are full of magnificent things, from the lately discovered "Gentleman in Grey", "Mr Quin the Actor", or splendid "Captain Coram" of the Foundling

Hospital, to the great tableaux of "The Graham Children", and "David Garrick and his Wife". Most date from the 1740s, and all have a psychological informality to them, an easy painterliness and a workaday naturalism that, in setting

Hogarth apart, speak to us across the two centuries. But for Hogarth the true Painter, his little Shrimp Girl does the job on her own.

Hogarth the Painter: Tate Gallery, Millbank SW1, until June 8.

Radio/Martin Hoyle

More from our dumb friends

Our dumb friends have been much with us on radio recently. Some are busy standing for election. Others are serving humanity in more relevant ways, as Oliver Walston described in *Walston Goes Walkabout*. He has the no-nonsense mixture of sensible articulateness and nagging unease inevitable when observing the human race.

The first of the new series took us to the reindeer herders of Siberia. Animal sentimentalists doubtless turned off in droves as Walston noted such cheerful habits as garotting a deer, after which the raw flesh and blood provide an impromptu intake of vitamins (not many greens in Siberia). Walston sampled some like the good journalist he is but seemed more intrigued by the coyness attending the removal of the foetus and its concealment up a tree, a religious act performed with the entire community's cognizance yet denied by all.

A dancing troupe prompted the bemused if rhetorical question, "I wonder what the Russian for camp is?" We left the Siberians to a strange rhythmic grunting drone which Walston identified as a man yodeling. The bluish that encased the collective cheek of Radio 4's public was checked by the information that this meant singing, beating a reindeer-skin drum the while.

There was almost yodeling in *Touching the Elephant*, the execution of a simple but lovely idea to introduce a group of blind people to a pachyderm at the zoo. Beforehand they were asked how they imagined an elephant. "I've heard they can produce a pint of sperm at one go," said computer expert Graham, to the audible gasp from presenter Kim Normanton. Graham pointed out how the blind take the world on trust; feeling is the nearest they get to seeing. He had stroked a pigeon in Trafalgar Square, and when he was six he had met a monkey. "It gave me a kiss. I thought it was a person."

Danny could remember seeing colours and loves to hear descriptions of paintings. She imagined an ele-

phant's ears pointed, like a German shepherd's. She gets frustrated at invisible wildlife documentaries. "If a sighted person could be blind for a day they'd certainly learn a lot."

Tom is an ex-teacher training as a piano-tuner. He knew about tusks and big ears, but did it have a face? Lauren, an ebullient 10-year-old who described elephants accurately. "All I can say is, I like elephants," she decided judiciously. Would they like her? "You can't be too sure of an elephant," she added darkly, with sudden unsightings. She forgets she's blind when with her friends but remembers when she's alone. Her cats know. "But I'm care free," she said earnestly, pronouncing it as two words.

And so in the zoo where they met Deborah. Breathless from Danny, amazed by the small tail and eyes and the huge ears that are not after all like a German shepherd's. Graham shared his spermatoc knowledge with the keeper and added that they must be tricky when mating. Lauren cried "What a tummy!" "It's her head," said the keeper. "What a head then!" she exclaimed. Kim Normanton was a thoroughly nice presenter, and Matt Thompson produced a programme worth yodeling about.

There was not much difference between introducing the blind to an elephant and putting an actress in a convent, except that the actress seemed much less grateful. This was Fiona Shaw in *Touching the Elephant*, an audio-diary of her spell in a Benedictine nunnery at Tyburn – not 500 yards from the Dorchester Hotel, she noted with the bitterness of those whose palates have developed beyond hot milk, bread and "horrid marmalade". Scrabble and snakes and ladders and chapel seven times a day contributed, rather oddly, to a "sense of the Foreign Legion". It emerged as a wildlife film, all hushed one-sided comment with no input from the observed, and therefore rather unenlightening. At least in Siberia we heard them yodeling.

Television/Clement Crisp

Guilt-edged tosh and super-trash

Confession may be good for the soul; it is rotten for television. If current programming is anything to go by, the camera has now replaced the confessor. Day after day, secrets are unburied, sins paraded, that were better kept close to the bosom. Studio audiences provide the absolution of applause while the garrulous sinner proclaims himself lush and lecher, and women admit to anything from adultery to making their husband's underwear.

Andy Warhol's thesis that everyone will eventually have 15 minutes of "fame" – this being equated with television exposure – becomes ever more horribly true. While politicians still find every reason not to give straight answers to straight questions, a legion of unblinking nerds and nineties cannot dissemble or hide their peccadilloes, and blurt them out to the all-seeing and all-degrading camera eye. The late afternoon schedules are devoted to this shameful and shameless chatter, cheerily vouchsafed to such presenters as Esther Rantzen, or to the ghastly Rikki Lake, Oprah Winfrey and Montel Williams.

There is, I suppose, an awful fascination in sampling this gabbie, and the slick advice that assuages guilt, but one soon longs for a trace of discretion or control in the near-bysterical exchange of accusation and added argument before a screaming audience. Bear-baiting is more appealing, and probably no more demoralising for participants and watchers.

Two programmes this week promised vulgar

self-revelation at an Olympic standard in public laundering of dirty linen (which was, inevitably, underwear). Monday's Channel 4 offering, *Too Much, Too Soon: Chickens*, was to have featured two teenage rent-boys – the eponymous birds of gay slang – playing it straight to camera like apprentice Joan Crawford, but transmission was postponed. On the following evening, Channel 4 gave us *Men who pay for sex*, in which six chaps, without a quail to their names, explained why they visited prostitutes. The programme aimed at some social purpose by identifying percentages of men (from a sample of 250 interviewed) who visited whores in and out of marriage.

There was a naïveté about the proceedings, as if the statistics or the reasons for the men's little hobby were in some way significant. Men paying for sex is an immediate fact. It is also no-one else's damn business. Other people's sex-lives are either boring or else so peculiar that you do not need to be put off your food by bearing about them.

Some relics of self-respect or of discretion – that rarest virtue – might have spared

us these dreary admissions of philandering. The guilt (like the ripe corn of the men's admissions) was as high as an elephant's eye, with macabre testimony to the fact that a wife's death might be attributed to the husband's errant ways. Here was proof, were proof still needed, that the British take their pleasures sadly. One man, indeed, identified himself (in a charming phrase) as "a sad tosser". The camera lingered over domestic interiors where design seemed inspired by the Bates Motel.

If there was a message from this leaden transmission, or from the prospect of rent-boys' cheerless activities, it was that self-dramatisation is as much a sin as lust. Both lust and drama are better ordered in soap operas. I have heard little that makes me want to watch Channel 5, but one programming coup deserves mention. As a lunchtime aperitif the channel offers *The Bold and the Beautiful*. For connoisseurs of American super-trash, this is essential viewing, which I have followed with joy on American and on German TV (guiltily dubbed). It

is prime, peach-fed, 24 carat, copper-bottomed tosh, as good – or, if you will, as bad – as *Santa Barbara*, that touch-stone of junk drama and auto-cue acting. How to resist a programme whose daily synopses offer such lures as "Taylor regains her memory as she walks down the aisle on the arm of an eastern nobleman" or "Eric tells Brook's mother that he's had a vasectomy". This is the stuff of dramatic bliss.

How very different *Springhill*, a new 26-part drama series that lurched onto Channel 4 on Thursday. The advance publicity advised drama about "a family struggling to cope with the demands of life on a Liverpool housing-estate". The subliminal message is, of course, "Switch off now". The opening shots of mum busy with house-work, and bubby and five children – plus grandpa in his coffin – crammed into a terrace house makes one salivate as for a really good traffic-jam. His sole purpose may be to turn manics into depressives.

There is an additional hazard. The youngest child is a schoolboy, an altar-boy and would-be priest, given to visions of his dead grandfathers, who unburdens himself of a soliloquy at the old boy's funeral which could be marketed as an emetic. His forte is winsomeness. The betting in my neck of the woods is that the role is being played by an ageing female midwife. Watching this *Infant Phenomenon*, I remembered an American woman's comment on a picture of the young Truman Capote at the time of his first, steamy literary success. "If that's a child, it's dangerous."

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ARTS

Drama offstage in the Equity war

The biggest drama in the regional theatre at the moment is taking place off-stage. Equity, the actors' union, is locked in a battle over pay with the Theatrical Management Association, which represents over 100 regional theatres. Equity wants a £250 a week minimum; the TMA says that many of its member theatres just cannot find any extra cash.

The key meeting is fixed for Monday, when Equity responds to an improved TMA offer. Unless agreement can be reached, the strike will start to be cancelled. Since April 7, Equity's 38,000 members have been refusing to sign new contracts. So far this has just caused delays, but soon planned productions will fall by the wayside.

Equity's main point is that actors should not struggle on earning £100 less than the average national wage. The TMA agrees,

but points out that the regional theatres have been having an awful time of it in recent years.

The Arts Council has frozen its grants for four years. The other main providers of cash, local authorities, have cut subsidies. Last month two councils, Oxfordshire and North Yorkshire, virtually eliminated funding of local theatres, pushing the Oxford Playhouse, Chipping Norton, Harrogate and the recently opened Stephen Joseph in Scarborough, towards the financial precipice.

The plight of the regional theatres is typified by one of the smallest and most successful, the Watermill at Newbury. For the third successive year its grants, from the Regional Arts Board and the local council, have been

frozen at £60,000. At the same time the Newbury by-pass is emerging 500 yards away, causing great disruption for its audience. On top of this there is an even more threatening imponderable - the audience for live theatre in the regions (and to a lesser extent in the West End) seems to be melting away.

No one quite knows why. It can't still be the recession. Jill Fraser, who runs the Watermill, thinks it's because theatre is currently not seen as sexy. "The media concentrates on videos and movies. The theatre seems old-fashioned." Audiences at the Watermill have fallen from 82 per cent to 65 per cent in two years, and in such a climate it is impossible to boost revenue by raising ticket prices.

Jill Fraser is not giving up by concentrating on safe repertoire and small casts. "I refuse to believe that theatre is dead. Artists have got to have the space in which to create." So the Watermill still produces one new play a year. But it is also scheduling in Alan Ayckbourn's *Table Manners*, the nearest thing to a banker in regional theatre.

The Watermill already pays its actors more than the current Equity minimum of £190 a week but meeting the claim in full would cost it an extra £15,000 a year. It believes that the union should give a special dispensation to the small theatres.

It is a similar story at the

Theatre Royal York. Director Elizabeth Jones has received no real increase in grant since 1993. "We would need an extra £128,000 a year to recover the shortfall." As a result the theatre "has not done a new play in years". By cutting costs and clever programming, the Theatre Royal just makes a surplus.

The situation in the regions has been deteriorating for years but few theatres actually go permanently dark. The Redgrave in Farnham has closed - but there is talk of it re-opening; the same goes for the nearby Thorndyke in Leatherhead. Equity thinks that most TMA members could find the additional money if they cut their administrative and marketing budgets.

It is a view supported by Arts

Council (and Equity) member, Thelma Holt. "The actor has always been at the bottom of the pole, because the actor always wants to work. We have encouraged theatres to concentrate on proper marketing, developing audiences, giving the public what it wants and educational departments but now I think we must make savings in these areas in the short term. Audiences are declining, so have the marketing programmes been so great?"

After two decades in which the powerful industrial unions have been castrated it looks as if Equity, which has a massive excess of members over jobs and should be weak in bargaining power, may get much of what it wants by going to the brink. The

solution will probably involve a few small theatres being excused paying the full increase.

But it could be a pyrrhic victory for actors. Research by City University for TMA suggests that, while the level of audiences has changed little over five years at 55 per cent of capacity, the number of performances dropped sharply, from 28,870 to 20,133 between 1991 and 1996.

There are, of course, possible lifelines. A Labour government could force local authorities to spend a certain amount on the arts; and lottery guidelines are being increasingly loosened. Lottery money can now pay for the commissioning of new plays. Whether such developments can overcome the years of cheese-paring that have blunted the vision and sapped the confidence of regional theatres, is more debatable.

Antony Thorncroft

Watching Jonathan Burrows and Henry Montes at the start of *The Stop Quartet* you think, "loonies dance like this". With gangling arms, crouched bodies, disconnected limbs and disconnected minds, each corner-of-the-eye watching the other, they seem to move pointlessly over a brightly-lit floor. Only it is neither pointless nor in the least bit mad. I have seen *Stop Quartet* three times, and find it ever-rewarding.

This week Burrows brought it to The Place, London WC1 as part of the Spring Loaded season which offers a grab-bag of new, clever, unwise, optimistic dance. Nothing else in the season, I'm willing to bet, could be as skilled and innovative as Burrows' work. In the brave trek he has made over the past decade from Royal Ballet artist to iconoclast, theoretician about movement - though theory is in the work rather than in words - and ground-breaker, Burrows has taken us on a fascinating voyage.

The Stop Quartet (1996) is his most uncompromising piece so far, as I reported last year, with Burrows and Montes in a long duet which is augmented at its very end by the appearance of two women. Piano music by Kevin Volans and Matteo Fargeon provides structures, some made as the music sounds, others evident only when silence reigns. The two men make shapes, matched, opposed, developed and rethought, in the style of *Ur-dance*. Basic Steps, Cro-Magnon trottings, that is the language Burrows has delved out of his talent.

It is sophisticated in relationships and resonances, and simple-seeming. I find it like calligraphy or painting in which the ink or paint on the brush, its identity as the artist sets it on paper or canvas, is justification enough. It relates to Burrows' interest



The most original creative talent to have emerged in Britain for years: scene from Jonathan Burrows' *Quintet* in the Spring Loaded season.

Wild, adventurous dance for today

in contemporary painting, and in the procedures of modern composition. Burrows, almost alone among today's choreographers, makes choreography for today.

His is also the sort of work that drives traditionalists into seething fits. But Burrows, a wild and adventurous dance-maker, leads us to strange and fascinating perceptions about dance if we are prepared to learn his lan-

guage. He is, unquestionably, the most original creative talent to have emerged here for many years.

His newest piece, *Quintet*, was also on show this week. It has a score by the American minimalist Tom Johnson: four tubular bells, played by Henry Montes, who must also mouth a series of pseudo-philosophical aphorisms in the form of questions. (Only a strong sense of propriety prevented

me from answering with the relics of my mess-deck vocabulary.) *Quintet* is brief - *Stop Quartet* I think slightly too long - and it finds Burrows partnering Dana Fournas, with Ragnhild Olsen and Fin Walker also paired. The dance hints at ballet and echoes earlier Burrows' stylistic devices, even reminding me of the solo he made on television for Sylvie Guillem.

It is linear, sculptural in

its placing of bodies in space, and alert in its accents. The presence of Dana Fournas is especially rewarding. Formerly a gifted soloist with the Royal Ballet, she brings to Burrows' ideas a wonderful speed and sharpness of attack, as well as beautiful feet. (Even obscured in those dire "trainers", the Fournas instep suddenly shines like a good deed in the naughty world of grubby plimsolls). Like

Lynne Bristow, that other classical dancer who made so fine an impression with Burrows, Fournas gives her choreography an ideal clarity: dynamics ring boldly out. *Quintet* suggests that Burrows is on the move again: we will follow.

Clement Crisp

Support from the Linbury Trust and the Vivian Duffield Foundation.

Saleroom/Nicholas Powell
Old Masters
drawn to Paris

The quiet and erudite world of Old Master drawings has its own suitably tranquil show in Paris - the only one of its kind in the world. Organised in a basement showroom in the Hotel George V from April 29-30, the Salon du Dessin involves only 22 dealers. It is expected to attract some 6,000 visitors, including the most important private and institutional buyers, and will present around 600 of the best works on paper currently on offer - ranging from elaborate 18th-century French red chalk drawings to reasonably priced decorative 19th-century pieces, with occasional earlier Italian works of museum quality thrown in. Prices vary roughly from £1,000 to £25,000.

Previous editions of this six-year-old fair-fair, unsuccessful, to include modern art. But the two failed to mix and the date limit set for works this year is 1950. Yvonne Tan Bunzl, an Austrian dealer who set up in London nearly 30 years ago, is one of nine non-French exhibitors. She will be showing principally 19th-century French and Italian drawings priced between £2,000 and £10,000 and a few earlier works, including an early 17th-century Baroque study of the infant Jesus at £16,000.

Coincidentally, after slashing its London overheads by booting out much of its Bond Street premises is going to Paris for the second time, exhibiting 18th-century Italian works alongside 19th-century drawings by Degas, Boldini and Dux, among others, aimed at the local

market. A later item is a portrait of Cardinal Richelieu by 17th-century French artist Simon Vouet, one of a series of French court portraits in pastel by the artist, who was enrolled by an enthusiastic King Louis XIII to give him lessons in the medium.

Jan Krugier from Geneva is attending for the first time with a dozen 19th- and early-20th century big name artists including Gauguin, Van Gogh, Cézanne and Picasso. Among the Parisian galleries, Cailleux will be asking over £30,000 for a drawing executed by Ingres at the age of 18, and considerably less for works by less prominent artists of the 18th and 19th centuries. Galerie de Bayser sports a study of two women's heads in red chalk by Watteau, while Didier Aaron will concentrate on late 19th century neo-classical landscapes and architectural drawings.

Also in Paris, from April 24-28 at the Left Bank Espace Eiffel Brandy, is the Saga Fair. Traditionally devoted to contemporary prints and another world leader in its field, it will be trying to revamp its image after some disappointingly drab editions. This year's organisers are broadening out into drawings, photographs, video and new technology, including the Internet, and organising lectures and workshop demonstrations. One hundred and twenty European publishers and gallery owners will be exhibiting and most of the works on display will be on sale at £100 to £500.

The absurd thing about the "The Critics - Up for Review" season at the BAC, which presents plays directed by four London theatre critics, is that more "critical" attention has been given to these amateur and inexperienced directors than is usually given to most of their professional equivalents.

It is frequently hard, after all, to know exactly what role a director has played in a production. Which is why reviews often describe other features of a show at length, and then add "and the director is So-and-So."

So what does a director do? He/she chooses a play (or at any rate agrees to it). He/she selects (sometimes with much help from others) the team involved in design, lighting, sound, etc... He/she casts (again, often with

help) his/her team of actors. Beyond that, what? Some directors give very good "notes" at certain stages of rehearsal; some go AWOL. A few directors really teach actors how to refine every aspect of their art; a few others say "Look, acting is your business, and I won't interfere"; and both methods have had notable successes with critics and audiences who have no clue as to who contributed what.

The BAC season raises the question: should a critic know how to practice the thing he/she reviews? Pauline Kael answered that long ago: "You don't have to

know how to lay an egg to know how good it tastes." So it is fun - but not necessarily serious - to see, at the BAC, four professional egg-tasters learning how to lay eggs: Michael Billington of *The Guardian*, Nicholas de Jongh of *The London Evening Standard*, Jeremy Kingston of *The Times* and freelance critic James Christopher. Good for them: anyone sensible will commend them not only for trying to succeed but also for learning from the highs and lows of the process.

Still, in theatre there are more ways than one to lay an egg. Why were critics

only invited to direct? Some critics have also written plays, cast films, run theatres, choreographed dances, composed music. When I left university, all I thought I wanted to do was act. Even now, I waste the odd minute wishing that I had taken up acting. When Michael Billington told me of this BAC season I responded immediately, not as another would-be director, but as a closet actor, and said - only partly in jest - the classic actor's remark "Is there anything in it for me?"

But it matters not a jot that at 21 I did not pursue an adolescent desire to tread

the boards. The fact that I was once a good enough amateur actor to win the prize of Nicholas Hytner, Jeremy Sams, et al, does not make me an adequate judge of acting (perhaps they would agree), nor does the fact that I still occasionally itch to perform. Rather the opposite. Criticism begins, I believe, not in knowledge but in ignorance: not with an effort to dictate what we know but with a very different effort to apprehend what, to us observers, a mystery.

And, in reviewing plays, we critics write not to say bow they - the directors, actors, et al - should have proceeded, but to describe what they did; to analyse its mystery as best we can; to contextualise and to interpret it - again, as best we can; and then to evaluate it.

Criticism is a multi-layered process, but always it must proceed to judgment, if it is to succeed; and in so doing it must employ criteria. Oh yes, and we critics also have to try and entertain our readers at the same time.

Learning how to direct a play may make you a kinder critic (as Nicholas de Jongh has stated) but it will not necessarily make you a better one. It was faintly alarming to hear some of the BAC critics/directors say "I didn't realise how much actors contributed!" (You've spent years reviewing productions, and you didn't know that? Well, even if the lesson is a little one, it is nonetheless valuable.)

The actors and designers in the BAC season are professionals; and the plays themselves are seldom seen (one is new). Michael Billington, Pinter's recent biographer, chose the two best plays of the BAC season, Pinter's short *The Lover* and Strindberg's shorter *The Stronger*. Strindberg is Pinter's great predecessor in handling the power-struggle between individuals, notably between the sexes. The premise of *The Stronger* is that Madame X speaks, while Mademoiselle Y remains silent. One changes one's mind more than once about which of the two is "the stronger". In *The Lover* - a play in which husband and wife develop love-play with an enthralling and complex quantity of role-playing - silence is often highly eloquent, and speech often betrays weakness.

In *The Stronger*, I think that Billington does not serve Strindberg well in casting Kim Thomson as Mile Y. Though her silent acting is detailed and eloquent, she never emanates strength equal to Sian Thomas's. Still, in both plays, the text has been keenly considered; and the pacing of the Pinter is full of variety.

In *The Lover*, John Michie is outstanding: as attractive and natural as Cary Grant in a Hitchcock movie. In Anouilh's *The Traveller without Luggage*, directed by Nicholas de Jongh, the individual actors never gelled into an ensemble. At the performance I attended, the three leading actors stumbled over their lines at several points. But the play, even if inadequately served, was treated seriously. I found its first act a morass of exposition; but its central dilemma haunted me a little.

Jeremy Kingston presents

fall in love again with acting - as an observer, mind you. Sometimes they delivered brilliantly bouncing rallies, as in tennis doubles; sometimes they played it like chamber-music. At the end of the performance I attended, two of the audience bravado (a rare event in theatre); I was one of them.

This does not mean that Kingston should be invited to direct *King Lear* for the RSC; nor that he will become a better critic. It does mean that he will have one hell of a problem if he is asked to review anybody else's production of *Albion* in *Five Times*. And it means that his *Albion* is one of the most marvellously performed productions currently to be seen on the London stage.

The Critics - Up for Review continues until April 27 at Battersea Arts Centre, London SW11 (0171-223 2323).

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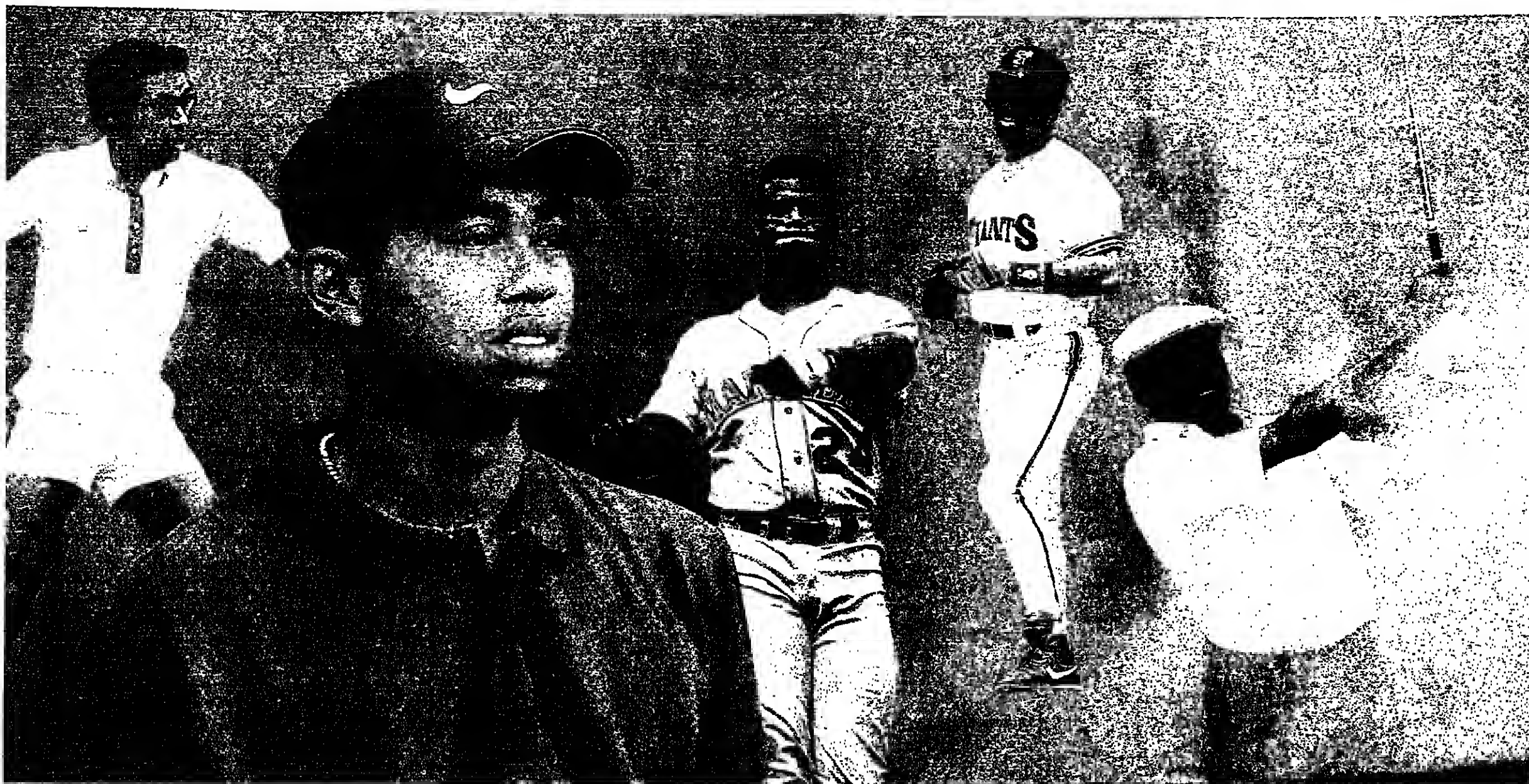
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SPORT



Conquerors of their field: (from left) Arthur Ashe, Tiger Woods, Ken Griffey, Barry Bonds and Calvin Peete. But sport's record on racial equality is still flawed

Not lily-white, nor colour-blind

Racial equality in sport in America has come a long way, but not that far, says Jurek Martin

This was quite a week for black sportsmen in the US. On Sunday, Tiger Woods, just 21, destroyed golf's elite in running away with the Masters championship at Augusta. On Tuesday night, baseball stadiums around the country, with President Bill Clinton leading the way in New York, marked the exact 50th anniversary of Jackie Robinson's breaking of the twentieth century colour bar in the national sport.

Editorials, commentaries and vox pops on the achievements of the twin pioneers were the universal lingua franca. Clinton, at present a crippled golfer and an old St Louis Cardinals fan, hitched both men to one of his few constant stars, the cause of racial equality. Roger Angell and Tom Boswell, ancient and modern deans of baseball writing, made their own less sanguine connections about how far sports, and the country, have come in overcoming prejudice.

Nike, corporate sponsor of Tiger Woods to the tune of a \$40m contract, ran resented TV commercials recalling Jackie Robinson. Black sporting icons - Michael Jordan, Charles Barkley, Muhammad Ali - were all duly quoted, as were those, like Colin Powell and Jesse Jackson, whose achievements lie not on fairways of green and fields of dreams.

Beyond their common col-

our and exceptional talent, honest comparisons between golfer and baseball player are tough to make, mostly because of the half century which separates them.

For Jackie Robinson, who died in 1972, segregation was a fact of life in 1947. Jesse Owens and Joe Louis might have run faster and punched harder than any man alive, but professional team sports, as well as restaurants, hotels and even the army in which he served, were still divided by race. For Woods, the obstacles come in more subtle shapes, both black and white, even if the expectations on and off the course are equally high.

Woods, still barely an adult, has reached his early pinnacle by a single-minded focus on one game. Robinson came to the major leagues at the mature age of 28 and not because of his baseball prowess, though he was a multi-sports college star.

Branch Rickey, far-sighted owner of the old Brooklyn Dodgers, could have had the pick of the Negro League, where Cool Papa Bell, Josh Gibson and Satchel Paige reigned supreme, but saw in Robinson a strength of character sufficient to withstand, without public retaliation,

the vicious verbal and physical punishment that the first black in modern baseball was certain to encounter - and did, from opposing sides and crowds and even his own team-mates.

Rickey did what he could to help. He sent Robinson to the Dodger farm team in Montreal in 1946 to minimise

Tiger Woods is the only American black now playing regularly on the PGA circuit

his exposure to race-baiting. In 1947, he shifted spring training from Florida to Cuba where, Pee Wee Reese, the side's shortstop recalled this week, "we could at least eat together at the same restaurant". (It was Reese, himself a good ol' southern boy, who early in that first season wrapped his arm round Robinson's shoulders in solidarity when the verbal

abuse reached a virulent pitch one nasty day in Philadelphia).

But the great experiment would have failed if Robinson had not delivered on the field, which he did in abundance. In his 10 years as a Dodger, the team made the World Series six times, against a miserly three in the 45 that preceded him. He was rookie of the year in 1947, most valuable player within three years and gave a new dimension of speed to baseball much as Babe Ruth had injected it with raw power 25 years earlier.

Now, 50 years later, it is possible to think of baseball as colour blind. Great black stars, from Willie Mays and Hank Aaron to Barry Bonds and Ken Griffey Jr today, have dominated the game. Both the National and American Leagues have had African American presidents.

The field managers of four of the present 28 major league teams are black or Latino, a better ratio than, say, the nation's corporate boardrooms. Clubhouse racial tensions among players appear the exception not the rule.

Reality, however, may be different. Baseball crowds, even in the inner-city stadi-

ums, are overwhelmingly white. Black players comprise only about 16 per cent of current major league rosters, reduced partly because of the influx of Latino talent but also reflecting the competing attractions of basketball (80 per cent of NBA players are black) and American football (65 per cent).

In a masterful essay in the New Yorker, Roger Angell notes that of the 234 hirings in the 23 years since Frank Robinson (no relation to Jackie) became the first black baseball manager, only 10 have been from minorities. The enlightened leadership displayed by Bart Giamatti and Fay Vincent, commissioners in the 1980s, has dissipated - indeed, the post they filled with distinction has been vacant since Vincent fell foul of the owners over player rights.

Angell's conclusion is that the sport's mixed record "tells us something about the size and the lumpish, Jabba-the-Hutt immobility of racial prejudice in this country. What we can say is that baseball has changed, but not nearly enough: in too many ways, it is still the national pastime."

Golf has never had aspirations "to look like America",

to quote one of Clinton's favourite phrases. In fact, Woods is the only American black now playing regularly on the insular, conservative PGA circuit. The Masters tournament itself had never seen a black player before Lee Elder qualified for it in 1975. The Augusta club had only two black members

There is more of a public desire, oblivious to race, for Woods to continue to succeed

before Woods made it three by taking the championship on Sunday.

This can be explained away by all the usual economic and social factors applicable to an expensive game, where, today, \$200 rounds at the very best courses are not unknown and club admission procedures towards minorities and women remain opaque,

to put it mildly. Even low technology has played its part. Many of the predecessors Woods acknowledged after his victory - solid professionals like Elder, Jim Dent, Teddy Rhodes, Charlie Sifford and Calvin Peete - were products of the old caddy system rendered all but obsolete by the powered golf cart.

But with 270 strokes from his magic clubs, Woods has changed logic and perceptions. Perhaps this was always his lot, after he first broke 50 for nine holes at the age of three and even more so after three consecutive US Amateur titles by the time he was 20. As Tom Watson noted at Augusta, he might be a boy among men "but he is showing the men how to play".

Colin Montgomerie, Constantino Rocca and even the resilient Nick Faldo, the European stars left devastated in his wake, must now be wondering if their games, supposedly being primed for the defence of the Ryder Cup in September, will ever be the same again.

The larger question is how he can square the demands of a game that requires total concentration with the broader consequences of

superstar status. The positive signs must include a father, Earl, who does not appear the kind of domineering, pushy parent that benighted the lives of so many young tennis stars.

Woods could have turned pro at the age of 18, but Earl insisted he put in a couple of years at a good university (that turned out to be Stanford, where John McEnroe went, so the precedent may not be entirely helpful). His Thai mother may also have imparted a certain Zen calm to the young man.

There is also much more of a public desire, oblivious to race, for Woods to continue to succeed than there ever was for Jackie Robinson. The crowd response at the Masters was indelibly reminiscent of the unbridled enthusiasm that Arnold Palmer once inspired - and which Jack Nicklaus, less of the extrovert, had to work so hard to replicate. But that creates the sort of great expectations that have sent poor John Daly, never equipped for the challenges, back into alcohol rehabilitation.

Tiger Woods can learn from Robinson, as a sportsman and as a black, as he can from the tennis example of the late Arthur Ashe, another conqueror of a once lily-white individual sport. For them, the bat and the racket were the beginning but never the end.

So it will be for Woods and his clubs.

Spread Betting

Running with the ball, bat, club, horse...

Michael Thompson-Noel discovers event-in-progress gambling

David Garbacz is a husky, bespectacled 32-year-old whose brain bulges with soccer data. During matches, he processes new information - injuries, substitutions, a change of tactics - with speed-of-light rapidity.

Garbacz is the senior soccer market-maker at Sporting Index, one of five UK companies that operate spread-betting services. He is thus in the hot seat whenever there is a big match live on television. He is also the firm's senior expert on cricket.

As it happens, I was in the main dealing room at Sporting Index's London office on the night of April 9, when Borussia Dortmund were at home to Manchester United in the first leg of their European Cup semi-final. Minutes before the kick-off, I asked Garbacz how he viewed the game.

He scanned various screens, and then he said: "I'm not expecting anything adventurous from either side, so I'm looking for 0-0, or at least a low-scoring draw."

Dortmund won 1-0. After the game, I asked Garbacz what sort of night his firm

had had. Like all other spread-betting firms, Sporting Index takes real-time bets while an event is in progress - "in running", it is called - be it soccer, cricket, golf, tennis or other sports.

"It was a busy game for us," said Garbacz, taking off his spectacles and mopping his brow. "I was expecting a low-goal, niggly, typically Anglo-German affair, but it didn't quite work out as forecast. Unfortunately, a regular, big-betting client won £11,400. We took a total of 1,350 bets on the game. If it had finished 0-0 we would have shown a profit of around £40,000. But we've still done fairly well. We made approximately £10,000."

The biggest profit Sporting Index has made on a soccer match is £115,000. Funnily, the most it has lost on a single match is also £115,000. Sports spread betting sounds more complicated than it is. It is like riding a bicycle: easier to do than to describe. It has been around for a while, though it is only fairly recently that it has taken hold in Britain. Its success is linked to the growing - almost non-stop - feast of live TV sports coverage.

In spread betting, the operator declares his margin in the form of a central band, or spread, of numbers based on what he expects the outcome of an event to be. Naturally, the weight of punters' money soon influences the operator's spread, pushing it higher or lower.

For example, if a firm thinks the total points scored in a rugby match will be 28, it quotes a spread of 28-30. If bettors think the points total will be greater than that, they "buy": that is, they bet that it will exceed 30. If they want to bet that fewer points will be scored, they "sell": they bet that the points total will be less than 28. The bettors' profit or loss is the number of points between what they bought or sold at and the final result, times their stake.

It is almost always possible for bettors to change their minds on a bet during a live event. As a result, they can freeze profits or cut losses as an event progresses, whether it does so over 90 minutes (soccer), several days (golf), two weeks (grand-slam tennis) or a full season's play. This flexibility is one of spread betting's main attractions,

and makes it far more alluring (the operators claim) than traditional, fixed-odds betting - the stuff offered in high-street betting shops by steam-age bookmakers.

But spread betting can be volatile. Cricket, for example, is a highly volatile spread-betting sport, because runs can mount rapidly. When that happens, bettors' losses or gains can escalate swiftly.

In contrast, wagering on the number of goals in a soccer match is rated a low-volatility bet, because such a number is usually between zero and eight.

Not surprisingly, inexperienced, uncouth, unlucky or plain stupid bettors can take a hammering at spread betting. I know of a man who has lost more than £500,000 over a period.

Partly to counteract its image as the betting medium-of-choice among wide boys - derivatives dealers, sheikhs, remnant yuppies and professional gamblers - the member companies of the UK's Sports Spread Betting Association recently harmonised their rule-books and bet-settlement procedures.



Two of their main aims were to "reduce the risk of confusion and disappointment arising from unorthodox interpretations to sporting events (such as rioting by spectators), and... enhance the attractions and excitement of spread betting".

Lindsay McNelle, a founding director of Sporting Index, which is the market leader in UK sports spread betting, says: "We harmonised our rules so as to avoid

any of the alleged complexities of spread betting that attracts clients, but its flexibility. You can play lots of games for whatever stake you like."

"Some of our bets - such as the number of times a

soccer ball strikes the woodwork and rebounds, or our 'Magic sponge' bet, which relates to the number of times soccer players receive first-aid treatment from the trainer on the field - are deliberately light-hearted and tongue-in-cheek."

"In any dispute with bets like those, we'll pay the clients both ways - winners and losers. It is a golden PR opportunity. In fact, we enjoy minor controversies: they enable us to have heart-to-heart discussions

with our clients, and find out what they think and want. Overall, the essence of our business is providing a mixture of seriousness and fun."

Does soccer expert David Garbacz have especially incisive views on the outcome of Manchester United's second-leg clash against Borussia Dortmund at Old Trafford next week, or on likely last-gasp developments in the English Premiership?

Sorry, I forgot to ask him.

How to Spend It

Fashion

Where to bring your style into full bloom

The garden is the newest setting for your dress sense, says **Belinda Morris**



□ Cream cotton rollneck sweater, £80, from Boden (mail order: 0181-453 1539). Chocolate brown, lined corduroy French farmer's gilet, £55, grey-ribbed cotton work trousers, £30, and wide-brimmed peasant hat, £35, all from a selection at Bryony Thomasson (tel: 0171-731 3693). Natural jute gardening apron, £29, from The English Garden Collection (mail order: 0800-203 000). Black plastic gardening clogs, £39.95, by Birkenstock from The Natural Shoe Store, 21 Neal Street, London WC2, and Birkenstock Shop, 37 Neal Street, London WC2 (inquiries: 0800-132 194).



□ Hint: shearing gilet, £300, by Nick Ashley, 57 Ledbury Road, London W11 (0171-221 1221). Purple hooded linen long-sleeve T-shirt, £75, by Designworks, 19 Avery Row, London W1 (inquiries: 0171-355 4654). Greige linen shirt, £89.95, by Jigsaw Men, 9-10 Floral Street, London WC2, and King Street, Manchester (inquiries: 0161-878 8443). Cotton fatigue pants, £24.50, by John Rocha, from Harvey Nichols, Room 25, Currie, and The Strand in Leeds and Newcastle-upon-Tyne (inquiries: 0171-734 0123).

□ Her: Crumpled viscose lime floral jacket, £115, by Whistles,

12 St Christopher's Place, London W1; 9 High Street, Oxford, and branches (inquiries: 0171-487 4484). Royal blue cashmere cropped cardigan, £139, by Brora, 344 Kings Road, London SW3, and mail order (0171-352 3997). Baby blue cotton slipover with Argyle pattern, £56, by John Smedley from S. Fisher, Burlington Arcade, London W1; Harvey Nichols, London SW1, and Fenwick's, Bond Street, London W1 (inquiries: 0171-580 5075). Rust velvet jeans, £55, by Boden, as before. Leather-lined, zipped wellingtons, £175, by Le Chameau, as before. Floral hair clip (as brooch), £20, and snood with floral trim, £55, both by Otto Glanz, as above.



□ Denim gardening smock, £29, from Old Town, Elm Hill, Norwich (mail order: 01603-628100). Lime/pink/blue floral crêpe pinafore dress, £115, from Oilly, 9 Sloane Street, London SW1; Barton Arcade, Manchester, and Church Alley, Liverpool (inquiries: 0171-637 4142). Floral hair comb, £17.50, by Otto Glanz from leading department stores (inquiries: 0181-365 1711). Vintage silk scarf, charity shop find.



□ Indigo blue linen mix skirt, caught up at hem, £97, and zipped multi-coloured cotton cardigan, £132, both by Oilly; crocheted cotton tangerine cardigan, £109, by Xilo, all from Oilly, as before. Cotton French house-dress, worn open, £35, from a selection at Bryony Thomasson, as before. Green tights, £11.95, by Hue from House of Fraser Stores (inquiries: 0171-436 4091). Rubber gardening shoes, £24.95, by Le Chameau from Perlow's, Pall Mall, London SW1, and William Powell, Carrs Lane, Birmingham (inquiries: 01489 579599). Feather boa, £90, by Jacksons made to order (inquiries: 0171-243 9900).

If you ever thought gardening was just a dirty job that somebody has to do, forget it. A blossoming of television programmes on the subject is testimony to the fact that gardeners (such as Dan Pearson and Rupert Gully) are taking over from the celebrity chefs. Rugged yet gentle authorities on nature and nurture, they are the new sex symbols for an enlightened age.

And if gardening, as Tatler magazine recently described it, is the new sex, surely you would want to be looking your best while thus

engaged? "To my experience, people who garden have aesthetic values; they take an interest in what they wear," says Rosie Atkins, editor of horticulture's style bible Gardens Illustrated.

"The late Nicole de Vestian, a former Hermès designer and something of a gardeu-style guru, was a walking extension of her garden. Everything she wore reflected the colours around her and she wore nothing that was not in harmony with her surroundings. Now, whenever I dress to garden, I think about whether it would meet her standards."

Sir Hardy Amies, now aged 88, is a keen gardener of the planning rather than the hands-on variety, who, after 25 years, feels he has finally mastered his walled garden that was once a school playground. He does not throw on a pair of holed jeans when directing his gardener.

"I'm a fashion boy and I can't bear to dress any other way but respectably. But when I get to the country at weekends, I can't wait to get into lovat flannels and a sweater," he explains.

"I don't possess any patterned sweaters and I never

wear bright colours, but I'm very fond of the natural dark browns and charcoals of Black Sheep sweaters. I look very chic but comfortable."

Of course, if you are going to do more than dead-head the odd rose bush, gardening clothes need to be practical.

"It has almost become like participating in a sport; you need to be wearing the right kit," argues George Cooper, the name behind the mail-order business English Garden Collection, which offers merino/angora sweaters, suede gauntlets and neoprene-lined wellies alongside the secateurs, spades and willow trugs. "You need to be able to move, so clothes have to be functional but they needn't be scruffy," he says.

When it is raining, or the wind suddenly gets up, practicality is the prime consideration in the garden. Forget denim (uncomfortable and cold when damp) and choose instead moleskin, corduroy or a sturdy cotton canvas.

Soon to be introduced into Boden's mail order catalogue are gardening trousers for men in twill, with comfortable drawstring waist and reinforced knees. An indigo rollneck sweater completes the laid-back, back-to-nature image.

For those who are perhaps recent converts to the concept of the garden as an extension of the house, another room in which to work, rest and play, and have yet to exchange Betty Jackson for Barbour, there are sartorial compromises to be made.

By bappy coincidence, fashion decrees that we say it with flowers this spring as floral prints ramble their way across filmy frocks and fitted shirts from designers (Valentino, Romeo Gigli, Chanel, Clements Ribeiro, Versace) to high street retailers (Kookai, Oilly, Phase Eight, In Wear). And, like designer Ally Capellino, you can also paint your nails a fashionable green or black before gardening so the dirt does not show under them.

Be prepared to dress eclectically, even holdily: become a sort of Vita Sackville-West with a soft edge, especially on chilly days when a wispy

of ruffled chiffon would be asking for a cold on the chest. Forget minimal and sleek. Gardening calls for layers (designer Margaret Howell, for instance, piles on layers like a ballet dancer warming up, finishing off with a pair of stout leather walking shoes), so add the luxury of a cashmere cardigan over a splashy rose print blouse.

Top that with your favourite tweed or corduroy jacket and add comfortable velvet jeans (Boden's combine stylishness with practicality) and a pair of waterproof boots. For the ultimate foot protection, seek out the leather or neoprene-lined, zipped wellingtons (or new slip-on shoes) by Le Chameau, or alternatively, Birkenstock's plastic clogs in red, yellow or black. Practical chic.

Gardening is also the perfect pastime for indulging in a spot of nostalgia. Old clothes from the 1920s through to the 1950s, are the perfect props for showing off with the pruning knife and daisy grubber. Floaty floral frocks in silk or rayon look sweetly eccentric worn with bearty knits and waterproofs, and perfectly express the late 1990s antipathy to reckless acquisition.

Those searching for clothes even closer to mother earth need look no further than the magpie's nest that is Bryony Thomasson's showroom. Specialising in French peasant clothing from between the first and second world wars, she has amassed a selection of work shirts, pants, jackels and dresses that has had costume designers for films drooling.

"These are clothes for farmers; they had to be able to move in them, so they're perfect for gardening in," she says, indicating a pair of roomy ribbed men's work pants and an amply cut canvas jacket patched and re-patched.

Today's wearer can shamelessly pretend that these clothes are their own well-worn, hest-loved garments that have seen hours of hard labour. And all for less than the price of a pair of Gucci gloves.

The models - Anna McCarthy, a student, and Jimmy Lewis, a farmer - were photographed in Mannington Hall Gardens, Norfolk, courtesy of Lord and Lady Walpole. The gardens, of formal rose beds, herbaceous borders and unusual shrubs and trees, surrounding the medieval manor house, are open on Sunday afternoons (May-September) and Wednesdays, Thursdays and Fridays (June-August). Entry for adults is £3.

Pictures.....Joseph Hunwick
Styling.....Belinda Morris
Hair, make-up.....James Andra
for Michaeljohn



□ Hint: Greige fleece jacket, £85, by Karrimor from North by North West, 3 Southampton Street, London WC2, (inquiries: 01254 385911). Orange linen shirt, £95, by CP Company, from Liberty, Regent Street, London W1, and Grey Flannel, Chiltern Street, London W1 (inquiries: 0171-629 5522). Forest green moleskin trousers, £45, from Old Town, as before. Gilet from Bryony Thomasson, as before.

□ Her: Lined tan corduroy French farmer's jacket, £35, from a selection at Bryony Thomasson, as before. Cotton/nylon polo sweater, £282, by Marc Cain, 28 New Bond Street, London W1 (opening this month) and Francesca, Gerrards Cross (inquiries: 0171-437 4142). Earrings, £23, by Pailin from Liberty and Harrods (inquiries: 0171-734 1234). Jeans and boots, as before.

The Financial Times plans to publish a Survey on

Hong Kong & China

on Monday, June 16

The handover of Hong Kong to China will be one of the most closely watched world events of 1997. This survey will examine how Hong Kong will embark upon its new future, how China will handle the challenge of taking responsibility for 6 million capitalist citizens, and how it marks the end of an empire for Britain.

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HOW TO SPEND IT

Bright new things add wit and colour

Who could resist products with names such as Lip Plump, Boo Boo Zap or Hope in a Jar? asks Lucia van der Post



Even those whose approach to make-up could be said to veer towards the minimal rather than the high baroque will have noticed that the big, grand old names, the Estée Lauders, the Elizabeth Ardens, the Helena Rubins, seem somehow just a little jaded.

In a business where age and the wrinkle are the grand enemies, such names are themselves beginning to appear a little age-worn. Granted there is nothing like their rich and gorgeous packaging and their attentive sales assistants when one is in need of some self-indulgent pampering. But for the everyday purchase of a new lipstick or a slick of moisturiser they seem a little old-fashioned.

Perky little niche ranges with new-age names such as Philosophy, BeneFit, Origins and the like are making waves and giving new life and interest to what used to be a glamorous but snooty and expensive business.

It was the arrival of make-up artists' ranges such as Shu Uemura, M.A.C and Bobbi Brown which first rattled the complacency of the large established companies. For the first time in years they were forced to confront the unsavoury fact that long tenancy of prime counter-space in the big department stores was not enough to counteract the excitement generated by these bright new upstarts. Anybody who has seen the pandemonium that surrounds the M.A.C counter at London's Harvey Nichols, and contrasts it with the air of staid gentility at the other counters, will begin to have an inkling of how much the established world of cosmetics has been shaken up.

Now that the dust is beginning to settle most of the cosmetics world would agree that it has been about the best thing that could have happened. New, younger customers, who had shied away from the perfumed world of the beauty departments have been persuaded

to try out a M.A.C lipstick or a Bobbi Brown blusher – and once hooked, it doesn't seem such a big step to experiment with some overnight skin cream or to try a little foundation. The myth that cosmetics had to rely on posh packaging and high prices to "sell the dream" has been broken and the big old names forced to sharpen up their acts.

Estée Lauder, for instance, seeing the way the wind was blowing, not only bought into both Bobbi Brown and M.A.C but began to understand that customers liked to be able to buy lipsticks, blushers and eye-shadows in single colours and see them clearly and simply displayed. It quickly launched its own range of single colours – Compact Discs – and most other leading companies swiftly followed.

But the new wave of small cosmetic companies are now breaking into the old guard's more traditional territory – skin-care. Companies such as Philosophy (a mere toddler of 18 months), BeneFit

(at 12 years old, a relative teenager in the US but a newcomer in the UK) and Origins (Estée Lauder's own answer to the bright young things) have decided that the time has come for a new approach to beauty. If they have a common theme it seems to lie in a refusal to promise too much, in an insistence upon simplicity,

and above all a big dose of irony and humour. Grand claims, pretentious packaging, high-tech language that bewilders rather than illuminates have been banished. Stores such as Harrods (which stocks all three) seem to signal the difference. It stocks them in its Fine Toiletries department where products are sold

more informally, without the intimidating infrastructure of sales assistants on commission. Several of the products these companies make have already achieved cult status. Philosophy, for instance, was propelled to almost instant stardom when Oprah Winfrey said on US prime-time TV that the Colouring Book (a compendium of make-up brushes, colouring crayons for lip and eye, blushers, eye shadows and lipsticks) was her favourite new make-up and that she was giving it to all her best friends for Christmas. Within four days Philosophy sold out of every Colouring Book in stock.

"The Colouring Book is not just about terrific colours with a cute name. It is a collection of edited colours that will suit almost everybody," says Christina Carlino, one of the founders of Philosophy. "It enables you to simplify your beauty drawer – to throw out the old colours and just stick with a compact little book."

BeneFit's Lip Plump – "the lip primer for smooth, full, sexy lips," (£13.50) – and its "Smoo...ch Lip Balm for smooth kissable lips" (£12.95) are selling out at Harrods. Origins' "Pinch Your Cheeks" (£9), a transparent gel blusher, is great for this spring's new natural look. Carlino says: "Make no mistake these products have to deliver. The fact that they're fun doesn't stop them being serious products. Philosophy, for instance, was started because of the

work I had been doing on a pharmaceutical range, Bio-Medic, which was well-respected by dermatologists and plastic surgeons.

"What I wanted to do with Philosophy was not to reinvent skincare but to change people's perception. Just as The Gap's clothing sent a message saying 'you don't have to dress so fancy', so Philosophy says 'you don't have to make it so complicated. You don't have to do anything at all but if you

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Philosophy is stocked by Liberty of Regent Street, London W1, Harrods of Knightsbridge, London SW1, Space NK of 4 Thomas Neal's, 37 Earlham Street, London WC2, and 307 King's Road, London SW3 5EP, 7 Bishopsgate Arcade, 135 Bishopsgate, London EC2M 3JD, and 45-47 Brook Street, London W1Y 1AU. For mail order, ring 0171-266 2803. BeneFit is stocked by Harrods and Space NK while Origins is sold by Harrods in London and House of Fraser stores in Glasgow, Manchester and Liverpool. Harrods has a mail order telephone line: 0800 376 1234.

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Fun, hip and friendly art

Art is selling by the trolley load in more informal settings, says Lucia van der Post



Four deckchairs and a trolley by Andrew Wood, £280

The days when art was sold almost exclusively through hushed and forbidding galleries are long gone. The exigencies of commercial survival, and the realisation that art could be fun and hip as well as serious, have combined to encourage artists and galleries to start selling their wares in more user-friendly ways.

J. Sainsbury many years ago led the way in making the buying and selling of art as informal and as accessible as buying groceries when it started sponsoring the annual Contemporary Art Fair. It brought in new, younger buyers who began to think of buying art as a perfectly normal purchase instead of a rare and occasional investment.

Since then, of course, art has become even hipper, with artists such as Damien Hirst, Rachel Whiteread and Tracey Emin being featured as often in the gossip columns as in the serious art magazines. All this means that art no longer necessarily comes with a capital A and that the buying and selling of it has become as everyday as the trading in designer jackets



An example of Eileen Hogan's work – a selection will be on sale, from £400

and trainers. As a sign of the times, 10,000 more viewers visited Art '97 at Islington's Business Centre in January than last year and Harvey Nichols recently started selling art by the trolley load outside its food hall.

Johnny Gorman, an ex-vice-president of an American bank, who has had a life-long interest in art, next week launches a

venture called Quantum Contemporary Art, which aims to find "new, innovative ways of bringing the best of British modern art to mass audiences".

He says the UK is way behind the US and the Continent, not only in its appreciation of art (in the US, a recent survey showed 80 per cent of wealthy people buy works of art, while in the UK the figure is

20 per cent) but also in its selling methods. "In New York, Paris or Rome, art-lovers cruise the galleries on a weekend, whereas here you queue to get into museums or wait for the next Whitechapel Open."

He aims to have two exhibitions a year, each in a different but friendly and accessible venue, and each open over a weekend so that

working people have a chance to look and buy at their leisure. The first of his exhibitions – "100 Artists" – starts on April 28 and runs daily (from 10am to 5.30pm) until April 27 at Whiteleys, Queensway, London W2 4YN.

About 350 works will be on show, some by young professional artists, already established, others by new, emerging talents. Among the more established names exhibiting will be Luke Elwes, Lincoln Seligman, Magnus Irwin, Bo Hilton, Susie Hamilton and Andrew Wood.

The younger artists were selected by Eileen Hogan, dean of the Camberwell College of Arts, who is also exhibiting. Prices will mostly range from £100 to £3,000 and the majority of the works will be figurative, including delicate watercolours and oils large enough to grace an empty loft wall. Don't miss the chance to spot the Hockney, the de Kooning, the Rothko of the future.

For further details or information on future exhibitions contact Quantum Contemporary Art, The Old Imperial Laundry, 71 Warriner Gardens, London SW11 4XW, tel: 0171-498 6868.

The Financial Times plans to publish a Survey on

India

on Tuesday, June 17

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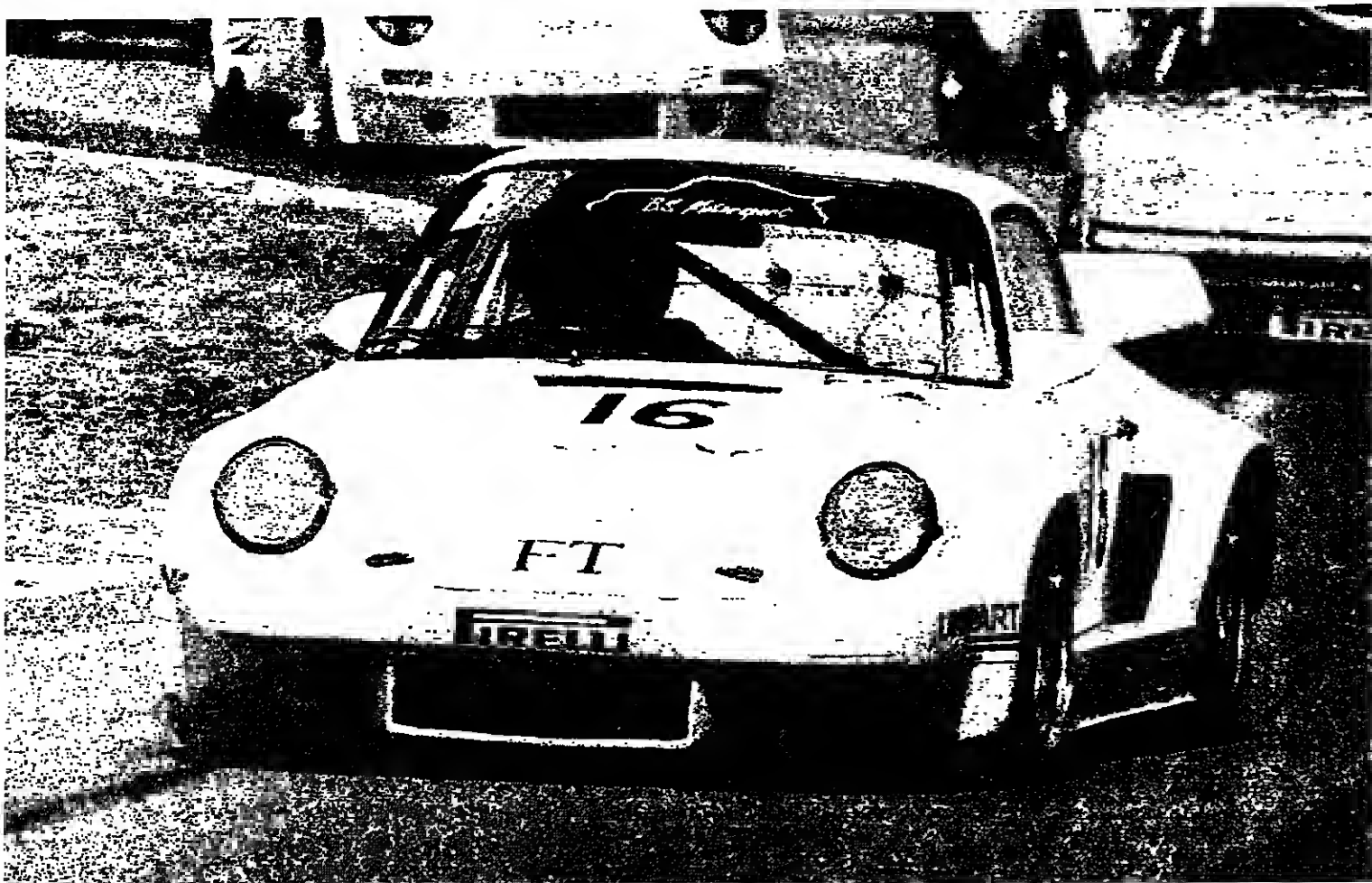
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FT Surveys

MOTORING



Grand prix isn't, but at least there is overtaking in amateur motor racing

Non-professional motor racing

When speed thrills

Forget Schumacher and Hill. Some people compete just for fun, says John Griffiths

Think of motor racing and most people's minds turn to Schumacher, Hill, Alesi and the rest of that super-fit and sanitised lot who make up the professional grand prix ranks. But there are others who regard the sport as fun and seek to regain some of the free-wheeling spirit that prevailed before it became simply Big Business.

After the long winter with circuits silent, much-loved cars cocooned in garages, and withdrawal symptoms for those involved becoming ever more severe, it is once again time for an army of mainly amateur businessmen cum racers to head back to the track.

One is Thomas Bescher, co-owner of Cologne's Oppenheim bank. He was out to play last weekend in the new world championship for GT cars - although play might not be the right word when your car is a McLaren F1 GTR sport-racer worth \$1m, and your efforts as a "gentleman" driver have taken you to a place among the top professionals who compete in the 24-hour race at Le Mans.

Also back behind the wheel was Ray Bellm, founder of the International Laboratories pharmaceuticals group. In his own McLaren, he is hoping to retain his status as reigning GT racing champion.

But Lindsey Owen-Jones, chief executive of the world's biggest cosmetics company, L'Oréal, is likely to wake up biting his knuckles on the morning of Saturday June 14. He recently decided to hang up his helmet, which means that he

and his McLaren will not be joining Bescher and Bellm on the start line at Le Mans this year.

At a less exalted level, John Simpson, chief executive of engineering multinational Mayflower, is scanning the weekend gaps in his diary to see when he can get on to the track with his Mallock super-sports car.

Elsewhere, their lordships Beaverbrook (Porsche 911) and March (Lotus Elise) are dusting down their vehicles to tackle their 1997 amateur championships - not forgetting that historic motor sports extravaganza, the Festival of Speed, which March stages each June on his 12,000-acre Goodwood estate in West Sussex.

The racing bug is far from being a solely European disease, though. In the US, family and friends have long since given up trying to drum "sense" into Paul Newman. The actor, now in his 70s, lives almost exclusively these days for racing - with much success - his stable of competition cars.

Bescher and his immediate cohorts are just a small sample of the several thousand enthusiastic entrepreneurs and executives who make up the backbone, and provide much of the finance for, non-professional motor sport.

Able at last to indulge the enthusiasm they could not afford in their youth, these men and the occasional woman, mostly in their late 30s or above, have found in amateur racing an addiction no less intense for being a world removed from teenage hot-shots trying to jostle their junior formula single-seaters on to the first rung of the grand prix ladder.

Bellm describes his racing as "the most deeply satisfying thing you can imagine" - but acknowledges that he would rather not do it as a paid professional. "I am extremely serious and professional about the operation of the racing programme; at this level you have to be. But there is a life outside racing as well, and I make sure that I enjoy it," he says.

The sport has become an industry providing employment for more than 50,000 in the UK alone

For many more individuals and companies, the enthusiasm of the drivers has proved contagious. The paddocks at venues for even modest race meetings - Silverstone, Brands Hatch, Spa-Francorchamps, or any of the several dozen circuits of Europe and North America - typically are festooned with the banners and small hospitality tents of companies enjoying the role of entrant, sponsor, or provider of services. They work on budgets which might entertain a mere dozen clients at a single grand prix.

Nor is affordability the sole criterion. "Just in the nature of things, a lot of business people tend to get invited to events like the British grand prix," says Peter Dobson, head of inter-

national film purchasing at Warner Bros.

"Silverstone and the grand prix is spectacular and all that. But, with 100,000 crowds there, getting in and out is dreadful, even with helicopters, and the whole thing's an exhausting hassle."

"This, on the other hand, is much more relaxed and fun. There's no pressure and, hey, there's even overtaking."

"This" is a Brands Hatch meeting where the crowd numbers no more than 7,000 and the agenda includes the Aston Martin Owners' Club's Intermarque championship, an event in which Aston, Porsche, Ferrari, Jaguar and AC Cobras lock horns; the Pirelli-backed Porsche Cup; and historic sports-racing cars sponsored by RJB, the international mining group.

Like another 20 or so people from a spread of industries, Dobson is attending a small party in support of an FT-liveried Intermarque car, run as a small gesture of empathy with the leisure interests of not a few FT and Weekend FT readers.

The Royal Automobile Club's MSA (Motor Sports Association) division issues more than 3,000 racing licences for the UK alone each year. Its international counterparts issue a dozen times that annually.

Out of the sport has grown an industry. According to Motor Sport Industry Association estimates, it provides employment for more than 50,000 in the UK alone, spread among race car-makers and those supplying parts and accessories. Turnover is more than £1.2bn.

Joining in the fun is not

cheap; but neither does it require bank ownership. The RAC's "starter pack" and a day's compulsory training at one of the major circuits, should result in a race licence for around £200. (For advice and details, call the MSA on 01753-681736).

The principal marketplace for race cars, varying hugely in price and variety, is the classified pages of Autosport, the international motor racing journal. Alternatively, membership of the major one-make clubs usually brings listings of cars eligible for their championships.

A toe-in-the-water venture can cost as little as £5,000 for a modest racing hatchback such as a Fiesta for the RX2 championship, or even an elderly Formula Ford single-seater. Neither will win races; each will provide a window on what is possible.

From £15,000, you are spoilt for choice - many of the Pirelli Porsche contenders cost little more. Add around £1,000 for a trailer, £100 per race entry plus a contingency for maintenance and repairs, and a season can be under way. Outsiders may chuckle tolerantly and say: "Formula One it isn't, of course." But, in fact, it can be. A steady trickle of Formula One cars - from the 1970s, 1980s and even the early 1990s - appears on sale, sometimes for as little as £40,000 to £50,000.

They can be driven by any RAC licence-holder who has passed beyond the status of novice - a status achievable within a season. They run in their own championship, the Boss Formula One. And, for a minority, they represent a dream come true.

Road test

The shape of things to come

Stuart Marshall samples two new Renaults

The motor industry stands on the threshold of a radical change in family car design - and much of the credit belongs to Renault. Its new Espace and, even more so, Mégane Scenic are the shape of things to come.

The Espace pioneered the monospace or MPV (multi-purpose vehicle) concept in Europe and had the market more or less to itself for some years. Then came a trickle, soon to become a flood, of rivals such as the Toyota Previa; the Ford Galaxy and its VW and Seat clones; and the Citroën Synergie and its near-identical Fiat, Lancia and Peugeot versions.

The second generation Espace, although still the most stylish of its kind, will be only a bit player in the burgeoning MPV market of the future. Not the Mégane Scenic, though. It will go down in motoring history as the car that started a revolution.

First, though, the Espace. The main difference between it and its rivals is that there has never been an Espace-based van. It was conceived and created jointly by Renault and Matra, the aerospace company, as a seven-seat car. Most of the other MPVs, which aped the Espace's individual styling, were not. They began life as panel vans, or their commercial variants appeared soon afterwards.

The Espace occupies no more road space than a Leguana-sized family hatchback. Once you accept its unconventional shape, with its bonnet visible through the windscreen, it feels totally car-like to driver and passengers, who enjoy superlative standards of ride comfort and refinement combined with the roominess of a minibus.

The dashboard is like no other. Instead of conventional dials, a long slot contains recessed (although instantly readable) digital displays. Below it, in the centre, is a colossal storage compartment. In total, the Espace has 100 litres of interior storage space: more than a Mini's boot.

The in-car entertainment system is controlled from the steering column; its components are hidden in so many places that it is reckoned to be thief-proof.

The Espace comes as a

seven-seater, with three rows facing forward. But so many permutations are possible that potential buyers should set aside an hour for the salesman to demonstrate them all.

Three engines are offered. The petrol versions - a 2-litre, 115 horsepower, four-cylinder and a 3-litre, 170hp V6 - are combined with automatic transmission.

The turbo-diesel - a four-cylinder, multi-valve, 2.2-litre of 115hp - comes with manual gears. It produces the same maximum torque (pulling power) as the V6 at less than half the revolutions, and beats the petrol two-litre for both performance and economy.

Average fuel consumption should be around 26.4 miles per gallon (10.7 l/100km) for the petrol 2-litre; 20.6mpg (13.7 l/100km) for the V6; and

the Espace. It seats up to five people, is powered by 1.6-litre or 2-litre petrol engines or a 1.9-litre turbo-diesel, and prices start at an affordable £12,350 on the road.

Remarkably, it has more potential passenger space than Renault's big executive car, the Safrane, and a larger load capacity than a Laguna estate.

According to Renault UK, the Scenic is not a niche vehicle for a few individualists but an alternative to existing mainstream products. A "multi-activity car", or MAC for short, it has the performance and economy of a hatchback, a high seating position for good visibility, and an ultra-flexible interior with space for bicycles, toys, dogs, golf clubs and the kitchen sink.

Renault UK claims the Scenic has the potential for bringing about the biggest change in the British market for more than 30 years. A big claim - but, having driven all three versions of the Scenic in France last week, I think they stand up.

Under its lofty (though shapely) five-door body, the Scenic is much the same mechanically as any other Mégane, although the gearing of the petrol models has been lowered slightly to compensate for an increase in weight.

On a mix of autoroute, fast N and D roads, and some truly rural tracks, the Scenic was a spirited drive. The suspension soaked up rough stretches of broken tarmac but was not so soft as to allow roll on corners.

The petrol engines spun cheerfully up to quite high revolutions but the diesel because of its copious pulling power at modest engine speeds - was the most relaxed as well as the most economical.

Fuel consumption, according to the new and far more realistic official formula, should be 34.4mpg (8.2 l/100km) for the 1.6-litre and 30.4mpg (9.3 l/100km) for the 2-litre. The turbo-diesel's likely average is 40.9mpg (6.9 l/100km).

Rear passengers have an enormous amount of space in the Scenic. Like the Espace, the seats can be shifted to and fro and side-ways to increase passenger room, or folded down to maximise bulk shifting capacity. The slab-sided load area is covered by a rectangular parcel shelf.

On the road, prices will range from £12,350 for an RN 1.6-litre to £16,595 for an air conditioned RXE 2-litre.

Renault is among the most innovative of European car makers. Now, with the latest Espace and the new Scenic, the company is pointing to a future when so many cars will be monospaces that the surviving three-box (bonnet, body and boot) designs may look delightfully old-fashioned.

The Scenic will go down in history as the car that started a revolution

35.3mpg (8.0 l/100km) for the turbo-diesel.

So far, I have driven only the turbo-diesel Espace. It cruised quietly on the motorway, had a flexible at low speeds and handled nimbly in traffic. The view from behind the wheel is commanding and the pump seats rival club armchairs for size and comfort.

On-road prices start at £19,635 for the RT 2-litre, £20,635 for the diesel. Air-conditioning is an optional extra on the RT models but standard on the RTX and RXE, which have on-road prices ranging from £22,135 (RTX 2-litre auto) to £27,335 (RXE three-litre V6).

The most desirable Espace of all, if you pay to fill the tank and plan frequent holiday trips to the Mediterranean, is the £25,235 RXE 2.2 dT. In France, where diesel fuel is nearly 5p/litre cheaper than unleaded petrol, it would halve the V6's fuel costs.

The Scenic is no longer or wider than a Mégane hatchback and, at 13ft 6in (4.13m), is 16in (38cm) shorter than



The Mégane Scenic...a trend-setter with spirit

Travels across America

On the road with Modestine and me

Nicholas Woodsworth looks back on a motoring odyssey that changed his view of the US forever

When I was 18, I read Jack Kerouac's *On the Road*. Immediately, like anyone else who read the book, I wanted to drop everything, buy an old car and head out to the west coast. I wanted the breeze in my hair, the open highway - and not the slightest idea of what would happen next.

Perhaps it was a good thing that wiser heads prevailed and I stayed home. Kerouac died just off the road - young, alcoholic, broke, and miserable - in a trailer park in Georgia. But the idea of the American highway is, like most Grail-like romances, an enduring one, and it stayed with me.

A quarter of a century later, by which point I should have moved on to more mature, mid-life fantasies (this, surely, is little red sports car time), I finally caved in. I bought an old banger and headed out to the west coast.

How does the reality of travelling the highways of America match up to the myth? I spent the next 10 weeks and 15,000 miles finding out. From the east coast to the west coast and then back again in a huge loop, I had the breeze. I had the open road. And, above all, I had not the slightest idea of what would happen next. There were times when I did not know what was happening even when it was happening.

Take, for example, my trials with Modestine, named after a wilful, capricious and plaintive donkey once owned by author R.L. Stevenson. Should anyone attempt such

a journey in a none-too-sprightly, mechanically worn and unsound 13-year-old Volkswagen van? It is not advisable.

Should anyone, in these circumstances, set out with neither the appropriate tools nor a scrap of basic automotive knowledge? Certainly not. But the *frisson* provided by the threat of imminent breakdown spiced the entire trip. To this day, Modestine's intimate parts remain a total mystery to me.

Which brings me to those knights of the road, the auto mechanics of America. Like most other drivers, I have tended, without distinction, to regard all mechanics with suspicion and distrust: these are men, I was sure, who would sell used Lada parts to their own grandmothers if they could.

Today, though, I no longer feel hostile. The mechanics I met along the way count, as far as I am concerned, among the great, unsung heroes of the continent.

What happened when Modestine had hot flashes in Kansas City, her temperature gauge veering unreasonably up and down, her engine alternately over-heating and cooling? Mechanical



maestro Dave Bach gave her a thorough going over, unlocked a cooling hose, and charged me not one penny.

What happened when, high in the Rockies, Modestine became so weak that she could barely pant up one side of the Continental Divide and down the other? The boys at the Bushmaster Garage in Calgary, Alberta, delved into her innards and found critically low compression.

There was, however, no long, NHS-style wait for us. Setting aside their scheduled work, they rebuilt one of Modestine's cylinder heads and had us on our way within hours, babbly revving and reinvigorated.

And then there is my favourite mechanic, Martin Skrotski of Family Motors in Bakersfield, California. Martin is, indeed, just about family to me now, for he saved what at this point had become a seriously strained relationship.

By the time Modestine got to Bakersfield, halfway through the trip, she'd had enough. She groaned and shook and shuddered, refusing to pick up any speed at all. If she had had heels, she would have dug them in. I feared the end was near.

Tense and harrowed, I watched Martin hook her up to a diagnostic machine. It beeped and twittered and sent blips racing across a screen. But it could find absolutely nothing wrong.

Martin, however, is as much psychiatrist as mechanic and sensitive to the subtleties of automotive moods. He plucked, I believe, the real cause of Modestine's so-called ailments: a shirker at heart, she was simply baulking at the idea of climbing the Rockies once again.

He worked away, adjusting this and tightening that. This was only an elaborate show, I am sure, to soothe her ruffled feelings. As he worked, he talked to Modestine, reasoning, cajoling, flattering, persuading.

By the end of the day, as capricious as ever, Modestine was back on the road. Is there no end to the miracles

of modern psycho-automotive science?

But vehicles, of course, are just one part of a grand motor tour of America. There is the road itself and it, too, provided me with much that was unexpected.

I had told myself that, whatever direction I headed in, I would avoid America's interstate highways - the vast, high-speed, four-lane transport network that grids the entire country. It is ugly, I reasoned. It reveals little of the passing countryside. It reduces the US, whether you are driving through New York or New Mexico, to a numbing, homogenous culture of identical gas stations, hamburger joints and motel chains.

All this might be true, but I had not reckoned with the sheer size of country. The US is vast - far more than any contemplation of a road atlas can convey. Sticking to the "blue highways", as the backwoods and rural roads are called, did bring great rewards. But the distances involved also brought great fatigue and road weariness.

For all their drawbacks, interstates are a marvellous means for getting from one

area of interest to another. In the end, I found a sort of magic in late night, long-distance interstate driving.

The highway markers flicker past in the headlights, the radio sings and chatters, trucks howl along through the night. In a suspended, surreal, oddly peaceful state quite unattached to time or place, the neon world of the interstate rushes by.

Vehicles and highways are two aspects of life on the road. The third, and most important, is continental road travellers themselves and their reaction to the changing world around them.

I thought I knew the US before setting out. I had been to its major cities, visited its major sights. But, seeing the spaces between them, watching a great continent transform itself day after day from forest to lake-land, prairie to mountain, desert to sea coast, adds another entire dimension. It changed my view of the country forever.

And Modestine? It changed her view, too. She is older, wearier and more temperamental than ever. I left her to rest and recuperate, mired under a blanket of snow beside a peaceful river. I have a vague idea that, in the coming summer, we might take to the road together again. I hope she misses me. Or, as she is, I find myself missing her.



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OUTDOORS

Falconry

Hunting from the hand with a flying lurcher

A bird of prey is for life – their working life and retirement, finds Christopher McCooey

Scarlett's not an exotic pet – she is just a feathered version of a lurcher.

We were hunting with Mike's Red-tailed buzzard (*Buteo jamaicensis*). It was night. I was working a spot lamp from the back of a pick-up truck, sweeping a field of barley that had just sprouted, hoping to spot a nibbling rabbit.

"Keeping a bird of prey is no different in many respects from keeping a dog or horse. It needs warm and dry shelter, regular feeding and exercise, handling on a daily basis to get to know its idiosyncrasies," said Mike as Scarlett quizzically cocked her head to one side as if to check that I was taking all of this in. "But like us, birds of prey have their good days and their bad days."

Just then the beam picked out a rabbit. We stopped the pick-up, cut the engine and Mike got out with Scarlett and began to walk slowly towards the quarry from an oblique angle out of the spotlight. When Mike and Scarlett were within about 30 yards from the rabbit, it decided to run for its life.

Mike unleashed the jesses and Scarlett spread her gift wings and gave chase. The rabbit finked left, right and then turned and ran straight towards the spotlight. Just in time I remembered to kill the spot, thereby preventing the bird from flying straight into the front of the pick-up.

After a minute or so I shined the spot on Mike who called her back to his feet, her reward a piece of red meat. Later, in the pub (and with no rabbit in the game bag) Mike explained: "She either catches and kills – or it gets away. It's a great

thrill to see the bird fly free... and a relief when she comes back."

A number of centres have opened throughout the UK in the last few years and demonstrations of flying are popular at game fairs and country shows. Even celebrities are taking up the sport. For fashion designer Alexander McQueen or Scottish rugby captain Rob Wainwright, working with what is essentially a wild creature out in the open is a way of relaxing.

Like dogs, raptors are not just for Christmas, but for their working life and their well-earned retirement. A bird like Scarlett could be hunting for 20 years or more, whereas in the wild up to 70 per cent of the raptors hatched annually die in their first year and a lifespan of six years is average.

Jemima Parry-Jones, director of the National Birds of Prey Centre at Newent in Gloucestershire, estimates there are between 6,000 and 10,000 people in the UK who own a bird of prey (a similar number own owls, although these are not usually used for hunting). Between them these owners have an estimated 18,000 captive birds of prey.

"I've been interested in birds since I was a child," says 48-year-old Parry-Jones. "My first bird of prey was Pudding, a kestrel, which I had when I was six. Although I still hunt sometimes, I'm now more interested in conservation and breeding. I hope I'm one of the more realistic people in conservation..."

With no scientific credentials to her name, and being female in the largely male-dominated world of conservation, Parry-Jones's reputation has been hard won – she is an acknowledged authority worldwide on raptors, has written a number of books on falconry and regularly advises the RSPB and the RSPCA on welfare aspects of birds of prey.

Her father started at Newent in 1966 when it was called The Falconry Centre and she bought it from him in 1985. Today the centre has one of the largest collections of birds of prey in the world and is the leader in captive breeding, with more species than any other establishment (49 species to date). Although a specialist



Wild and free – for a short while the hope is that the bird will return

breeding zoo, the centre is open to the public – there are about 40,000 paying visitors a year, who provide the lion's share of the centre's funding (turnover in 1996 was £400,000, wages and expenses £390,000). Other income is generated from demonstrations, courses, the sale of birds to other centres and to falconers, and film and media work.

Nearly all the birds used by falconers in the UK are captive bred. Despite this, or because of it, Parry-Jones is worried that it is only a matter of time before some of the more fanatical conserva-

tionists target falconers.

"After hunting to bounds and driven birds (pheasant shoots), then hunting from the hand will probably be next in line to be banned. If that happens here then I'd take the collection to the US."

Accorn Activities: tel: 01432-830083, offers one-day introductory courses to falconry for £95.

The National Birds of Prey Centre, Newent, Gloucestershire: tel: 01531-530 266, is open daily from 10.30am to 5.30pm (dusk if earlier). No pets admitted. Adults £4.50, children £2.50.

Fishing

Dreams of battle with the monster

Tom Fort plans to buy a \$2m boat, hire a crew and go after marlin. But then again...

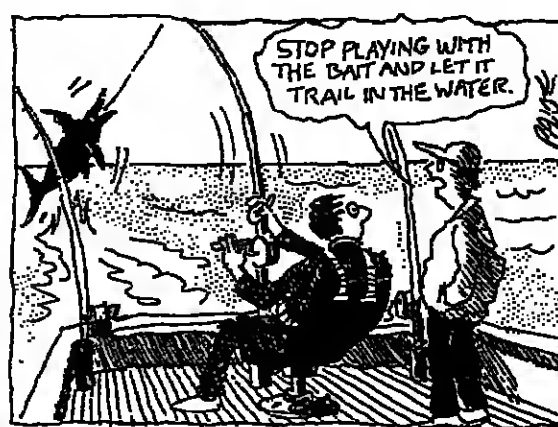
Never having caught a fish weighing much more than a 10th of my own weight (the equivalent, maybe, of one of my plump calves and one shapely foot), my imagination boggles a trifle at the notion of tangling with a beast five times my own size.

The fish's stout narrow body to a vicious prong, with which it stuns its prey and lashes the water to a foam when it is roused. Its eyes are huge and black, and its dorsal fin rises like a mountain ridge. Its back is basalt-dark, its muscle-packed flanks paler, striped or sheeny silver. Behind, sickle-shaped, is the tail, built for speed and power.

It is the marlin, the great warrior of the seas, at the mention of which the game fishermen of the world twitch and jabber with excitement. It is the supreme sea fishing adversary, trophy of trophies, summit of ambitions.

Actually, I've never seen one in the flesh. But I have been thinking about them since buying a copy of a stirring American magazine called, with simple eloquence, *Marlin*. I have been transported through its pages from my own grey world with its rivers of fish which all winter have simply refused to bite, to a succession of dazzling paradises, where the azure water swarms with monsters to set the heart pounding. And I have been wondering if marlin fishing might be for me.

There are obstacles, of which the first and most obvious is cash. To do it in style (no point otherwise), I would need my own boat. Flicking through my magazine, I am much taken with the Viking 72 SF, with its four staterooms (each with its own "entertainment centre"), teak and cedar fittings, spiral staircase, two



pantries, an electronic console crammed with fish-finding technology, a fishing deck the size of a tennis court and engines capable of cruising at 29mph.

Having shelled out \$2m plus for this baby, I would have to employ a skipper who combined the fishlore of Hemingway's Old Man with the techno-mastery of a NASA egghead, which would cost a bob or two; and a crew to match. I would have to find a berth for it, maybe St Thomas in the Virgin Islands or La Guaira in Venezuela. And I would have to secure sev-

er weeks a year away from whatever occupation I had that was sustaining this scale of spending, in order to fish.

Even assuming I get the job as president of Heinz or Bill Gates' number two, I still have my doubts. The thing about this sort of fishing, as I understand it, is that it requires virtually no skill at all. The fisherman sits in a padded seat at the back of his boat trailing a bait behind, sipping a beer and waiting for his skipper to hunt down a hungry fish.

There is no art in this, no dexterity, no striving for the fruits of knowledge. What the marlin man needs, apart from moun-

tainous doses, is endurance: to survive the waiting, and the battle when it comes.

Zane Grey, king of the cowboy story, was moved by an astounding passion for the great fish of the ocean, and he possessed this capacity to endure in extraordinary measure. His greatest fish, the first rod-caught marlin to exceed 1,000lb, came after 83 days without catching a fish – "a record that will stand", Grey noted with his humourless relish.

When the strike comes and the hook is set, the secondary test begins. The fight may last for hours: hours under a roasting sun, heaving against a creature whose strength gives it a better than even chance of besting you.

I'm really not sure I'm up to it. Three months bouncing around on the briny without so much as a bite! And then there's my dodgy back, and my dicky knees. And the heat, I really can't take it these days. And I remember catching a 20lb salmon on the Tay a couple of years back, and bow at the end of it I was in a worse state than the fish.

I'm not saying I've ruled the idea out. Should the big promotion come – with a pay rise of, say, 10,000 per cent – I might look at it again. But at the back of my mind I have this fear. It is that, having caught my 1,000th marlin, I would lose pleasure in anything less; that I would forget the joy of a 1lb perch, of a wild trout, of that 10lb barbel still to come. Do I really aspire to be an obsession-driven giantist? I do hope not.

It is the supreme sea fishing adversary, trophy of trophies

Gardening
A plant-finder hits the bull's-eye

Robin Lane Fox finds an extraordinary nursery

Gardens are a month ahead of themselves and already we are having to adjust to lilacs and wisteria in full flower in mid-April. I loathe the new pattern of drought in the UK, as does every gardener who has any sense of reality. I am damned if it will interrupt the modern pattern of keen gardening life in early spring. With no clouds on the horizon, I have been busy plant-finding, the sport which has opened up for all of us in the last 10 years.

The rules are simple. You need a copy of the most recent *Plant Finder*, now under the general guidance of the RHS (last year it cost £12.99). At random, you can follow up nurseries which you never knew existed. I like to plunge in, guided by the maps at the end and avoiding anything which advertises herbs, conifers, or nothing but roses. The nurseries are only slightly less interesting than their owners.

Sometimes, my plant-finding hits the target. It has just hit a bull's-eye at Cotswold Garden Flowers whose nursery requires an act of faith on the part of drivers but is located at the far end of Sands Lane, Badsey, two miles east of Evesham in Worcestershire. The presiding genius is Bob Brown whom I intercepted as he was leaving with his van for a demonstration talk at a women's lunch group.

Brown started the nursery in late 1991 on an acre of ground on which the topsoil

had been stripped and the only crop was a hunch of weeds. His previous career ranged from school-teaching to prospecting for diamonds and copper.

He had, however, the primary qualification of most of the remarkable gardeners I know: he started growing plants seriously at the age of eight. In five years he has amassed an extraordinary collection, fame among enthusiasts and local experts and a staff of six, manifestly devoted to his enterprise.

There is enough here for the core of any connoisseur's garden

In the middle of nowhere he showed me the contents of his van for his lunchtime lecture. I could hardly put a name to the large plant of a grey-leaved *Salvia* called *africana-lutea* which he had acquired from the Kirstenbosch Botanic Garden in South Africa.

I am one of the few who struggles to maintain a pale lemon-yellow buttercup called *Ranunculus bulbosus* F.M. Burton. It dies out in many gardens, but Brown was happily taking 30 plants in perfect flower for sale to his audience. He had thrown in an extraordinary ivy called *Dead Again*, which was to illustrate the way in which plants can be morbid

but attractive to collectors.

His prize exhibit was a gigantic plant of the Chatham Island forget-me-not, which was showing its exquisite blue flowers and huge, glossy green leaves to perfection. Few gardeners have ever seen it, let alone as an exhibit at a lady's lunch in Worcester-shire.

Chastened by this valiant, I asked for a catalogue with which to regain my bearings. Cotswold Garden Flowers will send these catalogues in return for five first class stamps, sent to the main office at 1 Waterside, Evesham, Worcs WR11 6BS (fax: 01386-47337). The staff will pack plants for delivery by carrier at an extra cost of £14 for the first £40 worth of plants and will also cope with delivery, certificates and invoicing for consignments abroad.

I will be interested to hear from any reader who can claim to have seen, let alone grown, more than 40 per cent of the hundreds of varieties of unusual perennials round which Brown has built his list. I was struggling to put faces to the labels on his forecourt and enjoyed the supreme reward of plant-finding: a harvest of exciting, new forms in familiar families which I have never encountered elsewhere.

Stock varies according to season and demand, but the main prices are £2.25 or £2.75 a plant. Of course, you know such familiar friends as the yellow *Helianthus* whose perennial forms are midway between daisies and sunflow-



Bob Brown and his Chatham Island forget-me-not few gardeners have seen it

ers. Perhaps you know the tall *Helianthus salicifolius*, which grew in the great Miss Jekyll garden and reaches a considerable height with stems of narrow, impressive leaves.

Brown describes it as "an Afghan hound without the responsibility", but I am even more interested in his other forms such as *Monarch*, which is said to have flowers like a cactus dahlia, and *Morning Sun*, which is an "anemone-centred" strong yellow.

Many of the familiar families in his list contain particular forms which are new to me and owed to the proprietor's friends, seed-raising and general plantsmanship.

His range of red hot pokers is celebrated, although few are red hot and most are in colours which have recently bounced back into favour.

He has a marvellous array of big, hardy poppies, some particularly desirable phloxes, several anemones, oddities like *Caulophyllum* and *Rhodod*, which will fox you, as they foxed me.

Visitors who survive the approach road can explore five polythene tunnels and the range of stock-beds. Brown gives marks out of 10 to almost everything in the list, although 10s are rare and few things score less than seven. I began to work out that we have a similar eye, although he is margin-

ally more charitable to things with purple leaves and brown flowers.

Like me, he is particularly keen on unusual, excellent forms in familiar families. Anemones, asters, sedums and pulmonarias are examples in the list which include some unexpected and unexpected adventures.

I think that he appreciates a good temperament, a long season and a distinguished relation between flower and leaf.

After three hours in his tunnels, I had begun to wonder why I bother with other deviations on the plant-finding route. There is enough here for the core of any connoisseur's garden, much of

which look likely to take root, multiply and then become an unusual backbone for the next decade.

As always, I wonder how these exceptional growers and collectors manage to cope with so much and remain apparently sane. Brown is fortunate to be near the Pershore school and its horticultural students, but they are even more fortunate to be near him, because I doubt if many lectures touch on more than a tiny fraction of the plants which he himself knows and grows.

Last week, nobody could have resisted an extraordinary type of buttercup, *Ranunculus cortusifolius*

with big round leaves which last through the winter and tall, yellow flowers at a height of up to 3ft. A remarkable specimen was flowering in a pot in his tunnel, whereupon I hunted husily and bought two young ones. The catalogue, of course, gives them a dismissive five out of 10, a characteristic comment from an owner who is wonderfully clear in his likes and dislikes and willing to test our ideas to the limit.

Send for the list if you cannot face the complicated journey; it has already given me more pleasure and provocation than any of the hundreds which I have visited in the past 12 months.

PROPERTY

Bostons an ocean apart

Gerald Cadogan discovers a strong, puritanical link between two very different towns

In East Anglia mighty churches, built during the Middle Ages on the profits of exporting wool across the North Sea, rise out of the flat fenland prairies. The greatest is St Botolph's in Boston, Lincolnshire, a building of Gothic elegance and the largest parish church in Britain. Its tower, the Boston Stump, is grand and beautiful.

The Stump, Britain's tallest church tower, rises the fens for miles, acting as a landmark for mariners and asserting the pride and wealth of a wool port that was once second only to London. Yet it is a work of magic, with stone tracery, crowned by an exquisite octagonal lantern that seems to vanish into the sky.

Boston (Botolph's town), with a population of 54,000, still has a working port on the river Witham, which runs down from Lincoln to the Wash but is mostly mud at low tide. A market town for local farmers and horticulturalists, the smart 18th and 19th century buildings, which reveal the town's prosperity of 1800, contrast with the vacant shops and listless youth familiar in many old country towns.

The Reformation also shaped Boston. When the monasteries and guilds were abolished, the Guildhall of the Guild of St Mary

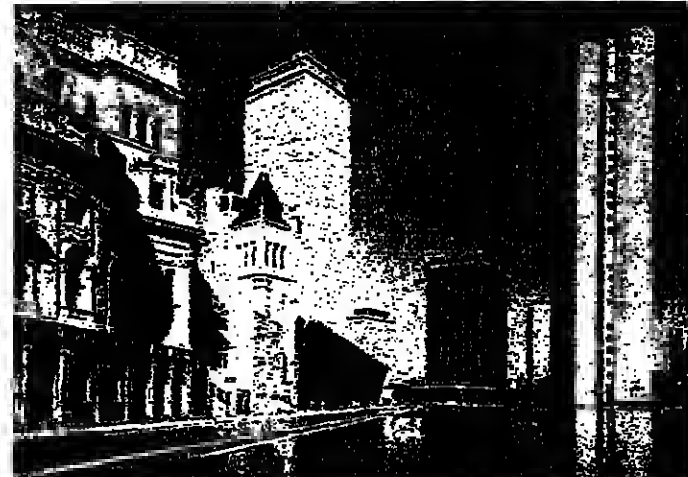
became the town hall, courthouse and jail (and is now a museum). The dock still stands where William Bradford and William Bradford - who became the leaders of the Pilgrim Fathers in 1620 - were tried after being caught trying to escape to Holland.

In 1612, St Botolph's got a new pulpit and a new vicar, John Cotton, who supported Puritanism in opposition to the apparent neopapist ritualism of the Church. When proceedings started against him 20 years later, he fled, hid in London, and in 1633 arrived in Massachusetts with several supporters. Others had gone there three years before, which resulted in the settlement that began as 'Trimontaine' being renamed Boston.

Cotton was named "teacher" in the First Church of Boston, Massachusetts, and lived until 1633 as a prolific writer advocating theocratic government and congregational churches. He died after catching a cold on the ferry across the Charles river to Cambridge.



East Anglia's Boston Stump



US history is on almost every Boston corner

Picture: Robert Harding Picture Library

The title of one of his works that New Englanders quoted for years gives the flavour of the man and the time: *Milk for Babes, Drawn out of the Breasts of Both Testaments, Chiefly for the Spiritual Nourishment of Boston Babes in either England.*

The American Boston began on the promontory of Beacon Hill and two other hills (hence Trimontaine) on the Shawmut peninsula, between the harbour and the Back Bay on the Charles river. This remains the compact city centre, but it is now less

steep than the settlers found it. The hills were levelled to make landfill to extend the area for the city between the river and the Atlantic.

Across the river, Cambridge dates back to 1630 when it started as Newtowne. It changed to Cam-

bridge a few years later in honour of the *alma mater* of many of the dissenters, including Cotton. Cambridge was the first of Boston's many attractive leafy suburbs.

The Protestant Reformation had a stronger effect in new Boston than in old Boston, since the Puritans set out to create the better, God-run society they could not manage in England, and it still influences life and attitudes. Religion, education, medicine, advanced technology, finance and the arts remain strong in the city.

In 1635, the General Court authorised Boston Latin School, and a year later (on the day that it also banned extravagant displays of lace - a solid puritan gesture) agreed £400 for the college that became Harvard in 1639.

Boston is the second financial centre in the US after New York, and it is crisscrossed with colleges, universities and libraries. It also offers efficient public transport, the Red Sox baseball team (always exciting, but they have

difficulty winning the World Series) and good food - especially fish - in "the home of the bean and the cod".

The arts flourish. The Museum of Fine Arts is one of the world's great museums, and the Isabella Stewart Gardner Museum on the Fenway is a gem. Take lunch there on a winter's day, sitting among banks of flowers in the glassed-over interior courtyard of this mock Venetian palace.

Every corner of Boston seems to have a bit of US history. Whether political, religious or cultural, so much has happened there that it is a delight to visit or live in, even for those on the wrong side of the Boston Tea Party.

My best memory of Boston is a house tour on Beacon Hill. In the next late-18th or early-19th century house designed by Charles Bulfinch, architect of the nearby State House, a small group of visitors assembled for Sunday afternoon culture. The guide was quiet, informed and intelligent. He was also very patriotic - ie anti-British. Having an Englishman in the audience seemed to sharpen his words.

Britain could do no right, neither for the Puritans nor in the 1770s. I glimpsed then something of the essence of Boston. This great city is alive and well.

Lincolnshire bargains

Houses around Boston, Lincolnshire, are relatively cheap compared with southern England. Farmland, however, is very expensive. The best grade 1 silt has been selling for £3,000 to £5,000 an acre, says Andrew Jones of Clegg Kennedy Drew in nearby Stamford. The smaller the parcel, the higher the price it obtains.

Yet both trends represent realistic value. The farmers, who have reaped handsome profits in the last three years, are ready to pay good prices because they can achieve economies of scale by topping up their holdings of this productive land.

Housing is different. Boston is "quite isolated", says Paul Clark of agent William H. Brown, and being agricultural, wages are low, which keeps prices down. Last year Clark saw "a steady increase" in activity as confidence

returned, making him cautiously optimistic about the market.

The prices are mouth-watering. A two-bedroom cottage in Boston with a garden running down to the Frithbank Drain (or dyke) with fishing stages costs £65,000, and a solid five-bedroom house built in 1901 is £128,000.

Outside the town, the 19th century Brayford House Farm with five acres at East Keel is on offer at £220,000, which is near "the top of what's going", says Clark. Savills is also selling three country properties in this range. Near Sleaford, Elm Farm House at Spanby costs £230,000 and The Old House at Leasingham, £200,000. Bridge House at Tattershall, listed grade II and next to the National Trust's Tattershall Castle, has a £210,000 guide price. ■ William H Brown, Boston (01205-351010); Savills, Lincoln (01522-534691).



Moon Cottage at 1 Frithbank, Boston, offered at £65,000



Brayford House Farm at East Keel, on offer for £220,000

Racing ahead in Boston, Massachusetts

In Boston, Massachusetts, the prime property market has been racing ahead like London, and for similar reasons. The rise of Wall Street "has had a significant impact", says William Kiley of realtor Hunneman & Co-Coldwell Banker, as has the growth in high technology in the Boston area, with many companies going public and enriching their founders.

The market rose 20 per cent last year, and fringe areas are now gentrifying. "I used to get a note at headquarters of each listing across the area," says Kiley. "But now the listing and the sale arrive on the same piece of paper."

People in the financial sector and entrepreneurs are prominent among the buyers.

The change is most marked in smart Back Bay and Beacon Hill. These areas offer old architecture, "a strong neighbourhood atmosphere", and are next to large green spaces such as the Public Garden and the Common, says Connie Marchiel of realtor Itzkan & Marchiel. They are also a convenient walk to the symphony orchestra and the financial district.

Many Back Bay houses are city palaces in red brick or brownstone. The old puritan modesty of Beacon Hill, where building stopped by about 1850, has gone. New industrial money caused the change, says historian Barbara Moore, and people returning from Europe on the Grand Tour.

Many of the early houses were converted to institutional use but in the last two years have been returning as residences, stimulating the market with what, in effect, are new properties. The largest

transaction was at 25-27 Commonwealth Avenue, which Massachusetts General Hospital sold in 1996 through Itzkan & Marchiel for \$5.7m, to convert into four condominiums. The first has just sold at \$2.95m.

Itzkan & Marchiel offers some typical Back Bay whole houses, with their late-19th century opulence, at prices from around \$1.5m to \$3.5m (for a double-width mansion on Commonwealth Avenue). A duplex near the Public Garden is for sale at \$689,000, and a penthouse on Commonwealth Avenue at \$1.575m. Hunneman lists a penthouse in the Cushing-Endicott Building at \$1.2m.

Beacon Hill is also changing fast. It "went down in the world in the 1860s and 1870s as Back Bay rose", says architect and Beacon Hill resident James McNeely, and slipped again in the Depression and after the second world war.

People moved out and the smart townhouses were turned into flats.

Families are now moving back in, the houses are becoming single units and Beacon Hill is once again the smart, small centre of a large city.

At the top of Beacon Hill is Lonsborough Square, a premier address where restored houses are on offer from Itzkan & Marchiel at \$3.95m and \$5m. But there is no need to pay so much. The agent also lists a house on Beacon Hill at \$1.295m and Hunneman one at \$975,000.

In the suburbs of greater Boston, Hunneman offers a sumptuous 1930s neo-Georgian house in Brookline for \$4m, and a little further out in Newton, a 1907 house built for a timber merchant for \$1.1m. ■ In Boston (code 001-517); Boston Unlimited (207-4329); Hunneman & Co-Coldwell Banker (617-4260); Itzkan & Marchiel (217-2909).

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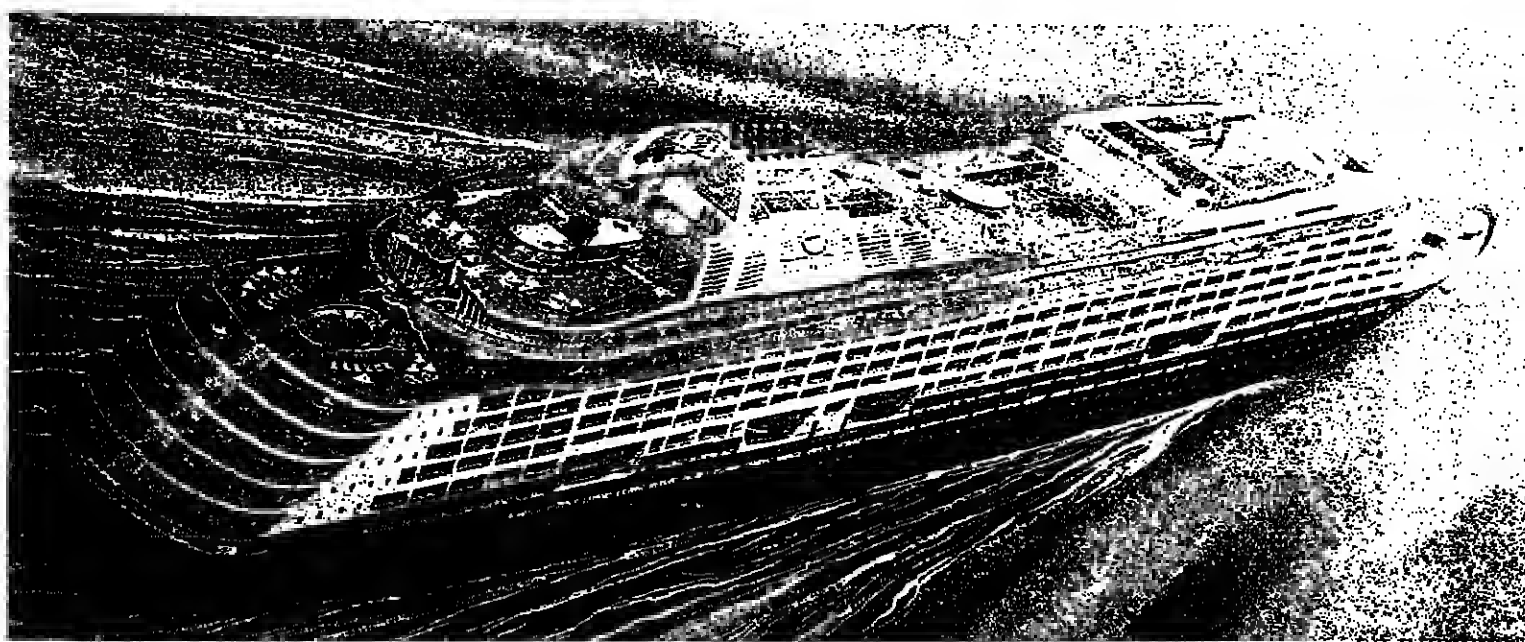
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PROPERTY



The World of ResidenSea, a holiday home with a difference

A home on the high seas

Instead of a luxury resort, why not buy into a unique cruise liner, says Anne Spackman

On a drawing board in Norway a team of designers is giving a whole new meaning to the term off-shore living. They are creating homes on ships - luxurious apartments that move on water.

The concept is simple. Instead of buying a holiday home to which you return each year, you buy an apartment on board The World of ResidenSea and have a home where it is always high season. The ship tours the world's natural, cultural and sporting attractions, visiting Rio de Janeiro for the Carnival or Cape Town for the Olympics.

Instead of buying a holiday home to which you return each year, you buy an apartment on board The World of ResidenSea and have a home where it is always high season. The ship tours the world's natural, cultural and sporting attractions, visiting Rio de Janeiro for the Carnival or Cape Town for the Olympics.

The cost is around \$1,300 (£1,000) a square foot. Stan-

dard apartments range from a generous 1,100 to 2,500 sq ft, with prices between \$1.22m and \$4.25m. Service charges range from \$60,000 to \$190,000 a year.

The ship is due to be launched at the end of 1999, and already about 20 people have signed privately, most of them friends or acquaintances of the man behind it, Knut Kloster. The Klosters are one of Norway's most prestigious shipping families and Knut has run some of the world's leading cruise companies.

He also has the advantage of being on first-name terms with many of his potential customers.

The problem with cruise ships, he says, is that the private spaces are too small and the public spaces too big - and too full of members of the public. He wants the facilities, living standards and exclusivity of a luxury resort.

So, in the offices of the naval architects who produced the Sea Goddess cruise liners and are designing the new Disney ships, a vessel larger than the Queen Elizabeth II is taking shape. It is 15 storeys high, with balconies on all five main

accommodation decks. As well as your balcony with whirlpool tub, every apartment has at least two bedrooms, two bathrooms, a fully equipped kitchen and a large living/dining room. Buyers will be offered a range of six standard apartments and three furnishing styles, in different colourways, with the furniture included in the price.

There are 250 apartments

'I tell buyers, their neighbours will be people like you'

for sale and a further 180 suites for residents' guests, staff or for rent on the open cruise market. While there are normally more than 2,000 people on board a cruise ship, the average here is expected to be around 650.

The World offers all the trimmings expected by buyers in the world's most expensive developments. Those who sign up early can

create their own home. They can combine two or more apartments, bring in their own interior designers or hang their own art collection on board.

All possible facilities are on board. On the top three decks of the ship will be The Club, a combination of restaurants, cafes and shops, function rooms, a library, a business centre, concierge service, a spa, health club, two swimming pools, a golf range and even a full-size tennis court on the top deck. The ship will even have its own stockbroker. All residents will be members of The Club and have reciprocal arrangements with other exclusive clubs in the ports where they berth.

Although this is a new concept, it is aimed at a market already bombarded with property options. Why should the German industrialist or the US plastic surgeon choose to buy an apartment on a ship rather than in a luxury sun or snow resort?

The team behind the ResidenSea project has amassed a wealth of technical evidence to support the idea, showing rising net wealth and mapping the location of

the world's billionaires. It also has figures demonstrating the huge growth in the cruise market and how it is set to continue.

But the real basis for the venture is a gut feeling among seriously experienced shipping and cruise people that there is a gap at the top of the market waiting to be filled.

The World's brochure includes a diary by a prototype customer, US businessman Jack and his wife. They go to a dinner party with some neighbours, who own a vineyard in South Africa; she shops with her friends in east Asia, while he does business; he plays golf in the Caribbean while she plays tennis.

"The most important question for our buyers," says Kloster, "is who is going to be my neighbour? I tell them it will be people like you."

The ship's captain is Ola Harsheim, a former master on the leading Royal Viking ships.

■ Apartments on The World are available through Savills in London 0171-730 0822 or from ResidenSea Ltd in Oslo, Norway 0047 22 500 800.

On the Move

Comfort with a hint of austerity

Gerald Cadogan on some unusual homes

The Victorian architect J.L. Pearson is best known for the Gothic correctness of his churches, such as the great St Augustine's, Kilburn, in north-west London. He also worked on alterations to the Houses of Parliament.

He is probably least known for his houses. But one of them is now on the market and shows him in an altogether different mood from the intentional austerities and discomforts of his official work.

Pearson designed the (Old) Rectory at Whitwell on the Derbyshire-Nottinghamshire border, 12 miles from Chesterfield and 24 from Nottingham. In 1885, as a warm and comfortable family house.

Its south-facing main rooms look on to a terraced garden with open country beyond. He blended old and new by using stone salvaged from the earlier rectory and oak timbers from a local barn in the fireplaces.

The tall, powerful chimney stacks that dominate the roofscape take one back to his austere mode, however, reminding the viewer - and perhaps Pearson himself - that architects do not like designs to be too comfortable. Whitwell is on offer for £380,000 from Savills (01522-534891).

Home in a pub

Conversions are in favour in West Sussex. In the village of Cocking, near Midhurst, the Richard Cobden Inn awaits a return to residential use.

The whitewashed pub is named after the Victorian MP who was born in the district and led the campaign for the repeal of the Corn Laws in the 1840s. He also helped arrange a free trade treaty with France in

1860, with the result that Napoleon III was the main contributor to the statue of him that stands in Camden High Street in north London.

The pub has five bedrooms, and two bars and a restaurant that will turn into reception rooms. It is on sale for £185,000 through Jackson-Stops (01780-812387), provided the vendors obtain planning consent.

In Woodmancote, seven miles north-west of Chichester, a conversion of four flint and brick barns succeeds because it retains the character of the buildings with such important details as traditional barn doors and controlling the number of cuts for windows made in the walls. The high quality work is by a young local builder, Adrian Bird.

Three of the Woodmancote barns are still for sale, at prices from £285,000 to £360,000. The agents are Stride & Son (01243-788626) and Cluttons (0171-408 1010).

CGT and farms

If you have a large capital gain, perhaps from selling your business, and qualify to take advantage of CCT reinvestment and rollover reliefs through becoming a farmer, do not dally. The first Budget of the new government may change this part of the farming environ-

ment as radically as uprooting the hedges did a generation ago.

Your involvement need be no more than buying the farm and installing a manager. Straw in the hair is not required.

Although the CCT reliefs can be seen as letting a qualifying buyer pay a premium of up to 40 per cent, fields remain in short supply and prices are keen. Average grade arable land is over £2,500 an acre. Savills Research estimates, while the best land in the eastern counties and the West Midlands has reached £3,000 to £3,500 an acre.

For small parcels, the price can be much higher still. Farmers never turn down the chance to buy neighbouring acreage (where they can maximise profits as seed and fertiliser are the sole extra costs), and at present, after three excellent years, they have money in the bank. The market in land is "farming-driven", says Toby Marden of Savills' Banbury office, adding that the CCT reliefs "just maintain the prices".

In 1996, 76 per cent of farmland purchases went to farmers, as against 63 per cent in 1995 and 58 per cent in 1994. Savills Research notes, while 62 per cent of purchases of let farms in 1996 went to sitting tenants (up from 52 per cent in 1995).



The Richard Cobden Inn: returning to residential use

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FOOD AND DRINK

Cookery

English food that's fit for patriots

Philippa Davenport waves her St George's Day flag for regional cooking

As St George's Day approaches, next Wednesday, patriotic spirits begin to rise and culinary flags unfurl over the stately homes of England. Confidence in England's produce is being renewed and a classier cooking style is emerging. High time. Even the sleepiest corners of the shires have woken up at last to the mistake of killing vegetables by drowning and weighing down stews with lead balloon suet dumplings.

Country cooks now freed from those tyrannies seem sensibly wary of the dangers of falling too heavily under the thrall of Mediterranean and oriental influences. Having seen and tasted the dire results of sun dried tomatoes, couscous and lemon grass with everything at the tables of indiscriminate fashion-led city cousins, they have apparently decided that the best way forward lies in keeping one foot (but not two) in the past.

Raising the roof with bawdy mock medieval banquets is, with luck, a nightmare of the past. The trend now is more restrained. Regionality, proper historic research and thoughtful contemporary interpretation are all taken into account when devising a bill of fare. This better informed approach should, one hopes, enable good taste to return to the fore.

The National Trust has just announced the launch of a new catering policy designed to encourage the kitchens of individual properties to develop their own distinctive menus. Given the diversity of its properties, from the grandest of the grand to quaintly modest, their richly varied histories, and the wide range of countryside covered, this seems a logical step and potentially very good news indeed.

To make greater use of local produce rather than centralised purchasing power (using some ingredients grown on the properties as well as local harvests supplied by neighbouring gardeners, farmers and fishermen) shows proper pride of place and a welcome return to seasonality. It also suggests that ingredients going into the kitchen will be beautifully fresh.

To delve into archive material, borrow from regional traditions, inject occasional contemporary punch and produce an appetising sum total, calls for a careful balancing act. It would be easy to fall into the historic fossil trap or go over the top in a reactionary backlash against the worthy and uninspired uniformity of much of current National Trust catering with its nondescript vegetable soups and savoury flans, scones and cakes. How wise to put a toe in the water with just eight properties exploring the scheme this year, and what a good move to appoint

Sara Paston-Williams, food historian, writer and caterer, as project leader. I know that Hidcote Manor in Gloucestershire, which boasts one of the loveliest gardens in Britain, is one of the pioneering eight properties. I have not seen its new menu but I like to think it will make good use of such regional specialities as Single Gloucester Cheese (Mrs Smart's unpasteurised version is exemplary) and the meat of traditionally raised Gloucester Old Spot pigs (which fatten happily and conveniently on whey left over from cheese-making). I would like to think that the cheese will more often be served as cheese than used in cooking, offered in generous wedges with local apples, celery and walnuts, home-made chutney, salad leaves or tomatoes according to season. I hope too that lady cake baked on the premises will be featured - a fruit-studded bread dough, lightly spiced and generously enriched with the melted fat of those excellent pigs.

One of the most interesting places to visit over the weekend of the early May Bank Holiday in the UK will be Syon House at Brentford, the London estate of the Duke of Northumberland, where an extravagant display of historic desserts, jellies and ices will go on show.

The private family dining room will be open for the first time, mag-

By the 18th century, a few royals and dukes began to employ their own private confectioners

nificently laid with a complete dessert course in mid-18th century style, with gold-plated cutlery and one of the richly gilded French porcelain dessert services commissioned by the third Duke to show off the elaborate confections and ices that marked the triumphant end of a formal dinner in those days. Views of châteaux were apparently considered appropriate decorations for porcelain, "providing subjects for conversation for those who had visited them".

Also open to the public for the first time will be the recently rediscovered confectioner's kitchen, cool confectioner's cellar (where ices were made) and stove room (for sugar work), built in 1830 and left intact, complete with all their equipment,



Seville orange marmalade ice-cream, taken from a recipe book of 1817

since the end of the last century. There Peter Brears, the historic house consultant, writer and food historian, and Robin Weir, the ice cream expert, will demonstrate the spinning of sugar, the making of ices and such fantasy confections as ben's nest, Mrs Marshall's mosaic, green melon in flummary, and gilded fish in jelly, making them as they would have been made using the original equipment.

Like most people today, I grew up thinking of sweets, jellies and ice creams as childhood treats and nursery food. But as Brears points out, throughout the medieval period, confectionery represented the ultimate luxury food, beyond the wildest dreams of all but the wealthiest in society. In Tudor times, the grander the banquet the more lavish sugar mounds, sugar-coated spices, candied fruits, fruits in syrup and marzipan were served - with music, perfumes and exquisite tableware to complete the impressive entertainment.

By the 18th century, while most of the gentry bought in their confectionery from professional specialists, or perhaps relied on their household cooks, a few royals and dukes began to employ their own private confectioners and built special kitchens for them, where they worked independently of other

kitchen staff, dedicated to preparing fruit preserves, ices and confectionery for their master's table. The fact that Northumberland employed his own man suggests that he judged the confectioner's role as important as did the chef of kings and the king of chefs, Antoine Carême, who wrote: "The fine arts are five in number, to wit painting, sculpture, poetry, music and architecture - whose main branch is confectionery".

SEVILLE ORANGE MARMALADE ICE CREAM
Joseph Bell of Newcastle, former confectioner to the Prince of Wales (later George IV) and his brother the Duke of York, published a treatise on confectionery in 1817. The Duke of Northumberland subscribed not to one copy but two. Bell's recipe for Seville orange marmalade calls for a smooth or fine-cut marmalade and suggests straining out the peel. This splendidly full-flavoured late twentieth century interpretation by Robin Weir uses vintage marmalade sharpened with lemon and enriched with dark muscavado sugar; the peel is reduced to specks in a food processor and included in the ice.

310g vintage thick cut marmalade; 2 tablespoons lemon juice; 2 tablespoons dark muscavado sugar; 500ml whipping cream.

Mix the marmalade and lemon juice and process them in a food processor until the peel is reduced to tiny specks. Add the cream and sugar and process very briefly to mix well. Cover and chill thoroughly.

Four the chilled mixture into an ice cream machine and churn for about 20 minutes, or still freeze. To still freeze (for which the temperature of the freezer should be -18°C), pour the chilled mixture into a shallow polypropylene container so the mix is about 4cm deep. Cover and put in the coldest part of the freezer.

When the mixture has frozen to a firm ring around the sides and base of the container with a soft slush in the centre (it will probably take 1-1½ hours to reach this stage), quickly process it to a uniform slush, or beat it briefly with a sturdy electric whisk.

Return the ice quickly to the container, cover it and return it to the freezer. Repeat the processing or beating at least twice at 1-1½ hourly intervals.

After the third processing, the ice will need to be frozen for a further 30-60 minutes to be sufficiently firm to serve.

For further information about *Ducol Desserts & Ices of Syon House, Brentford, Middlesex*, on May 2-5, ring 0181-560 0881.

popular among the Bordeaux trade: 78 per cent Cabernet Sauvignon, a firm, long wine. But for elegance, Ch Margaux probably has the palm. Haut Brion has more Merlot, with 50 per cent in the grand vin.

Latour is overwhelmingly Cabernet Sauvignon, with 95 per cent of its Pauillac production allotted to the grand vin, the balance going to Les Forts de Latour, and the third wine, Pauillac.

Mouton did not show so well when I tasted it, but it is reported now to have developed substantially.

On the right bank, the vintage was less successful, owing to much more rain, a Cabernet rather than a Merlot year.

Cheval Blanc included 68 per cent Cabernet Franc in its first wine; a long flavour, but on the light side compared with 1995.

I was not able to taste Pétus, though the head of another first-growth declared it was "massive", but it may have to offer a smaller quantity than commonly.

So far Haut Brion is the first to come out with a price - FF900 a bottle, and is selling 80 per cent of its output at this price. It is suggested that others will come out at FF280 a bottle, but now with a very small tranche that will be shortly superseded.

The 1996s are compared with 1995 and the softer 1995s with 1985.

Edmund Penning-Rossell

Wine

Burgundy: no longer set in aspic

Jancis Robinson on a new breed of merchant

Of all the classic French wine regions, the one that has changed most fundamentally over the last 10 years is the one that looks the most set in medieval aspic, Burgundy.

The old cliché that merchants, négociants in French, are all baddies and growers are all goodies is now well and truly out of date. Among growers, in spite of a perceptible improvement in quality overall, far too many seem unwilling or unable to be good winemakers.

Among the well-established merchants, on the other hand, there are increasing signs of intelligent life. A higher and higher proportion of the wine they produce is conscientiously made, as opposed to blended for profit and carelessly bottled. Much more of it nowadays is the produce of their own vineyards, blurring the distinction between the urban merchants and the horny-handed peasant farmers.

Of the big merchants, Louis Jadot, Drouhin, Faiveley, Bouchard Père et Fils and Louis Latour have been making fine wines for years. Nowadays real efforts are also being made by the likes of Bouchard Aîné, Chanson, Mommessin, Laboure Rol, and Réme Pedauque, some of whose names were synonymous with merchant mediocrity not long ago.

But in the last few years a new animal has been sighted in the complex but lucrative Burgundy marketplace: much smaller merchant businesses founded by young, quality-driven winemakers. Like the traditional merchants they buy in grapes, grapes must and/or wine and then oversee everything until the wine is eventually bottled one or two years later. But they are every bit as passionate about squeezing *terroir*, or a sense of place, into a bottle as those who run the big small domains. One could call them the new *terroir* merchants.

Two of the oldest of this new breed are Chartron et Trebuchet and Olivier Leflaive, both based in Puligny-Montrachet. Louis Trebuchet is president of the Burgundy growers association while Olivier is a member of the family which owns arguably the most famous white Burgundy estate of all, Domaine Leflaive, so both are well entrenched on the grower rather than merchant side of the fence.

The most flamboyant of the lot is Jean-Marie Guffens, a 42-year-old Belgian hothead who is convinced he makes better white Burgundy than anyone else and is right enough to be worth listening to.

From a base "in the wilderness viticulturally" 40 miles south of the Côte d'Or strip of Burgundy's most famous vineyards, he sells 30,000 cases of wine a year now under the Verget négociant label. His own 9-acre family domaine, Guffens-Heynen in Pouilly-Fuissé, is run quite separately.

"I'm one of the three best white winemakers in Burgundy. It's just a pity the other two are so far behind," is a typical example of his naughty schoolboy utterances, although he admits Dominique Lafon is the best "grape-maker" and admires Jean-François Coche-Dury's cellar technique.

Guffens' wines are particularly taut, intense and, like the finest Chablis (which he is also now making), the opposite of fat.

They need time but have already earned him a reputation both inside

and outside Burgundy. For all his braggadocio and wheezy enigma, he is rapidly becoming an establishment figure, buying one of the special casts offered at the famous Hospices de Beaune auction last year. "I don't remember which, but who cares? Some red wine," was how he described it.

But he is not so careless about the wines he makes. "I declassified 30 per cent of the Bâtard Montrachet grapes I bought last year because for me a Grand Cru has to be a whoosh - like a rocket. I'm intelligent. Therefore I live rationally."

He prides himself on buying only grapes and on managing to have a much closer relationship with the growers he buys from than a larger merchant, dependent on brokers, possibly could. "What I'm a little upset about is that the merchants are saying they're doing like Verget - but they don't care that much about quality. The merchants all have to change. Until 1990 they sold appellations. Now they have to sell wines."

It is no coincidence that all of these three *terroir* merchants specialise in white Burgundy. As another young hopeful, Jean-Yves Devevey, who has just



joined François d'Alaines in the latter's young négociant business, explained: "Most growers are better at making red wines; it's in white wines that the technical faults show up. Besides, white wines are sold earlier so there's an earlier financial return." Their 1996 cask samples, all white, were certainly promising when tasted last month.

One new *terroir* merchant famously specialises in red Burgundy, however - Dominique Laurent, a former *pâtissier* with the gift of the gab who is much lauded in France.

Rather ambiguously labelling all his wines "Dom. Laurent", he buys wine and fashions it into something exceptional in his Nuits-St-Georges cellars. He has researched and revived many a technique from the last century and tailors his methods (which tend to minimum intervention and maximum new oak) to suit each combination of vintage and vineyard.

The result is extremely ambitious but often tough wines which certainly vary enormously from appellation to appellation.

His Mouthelie was, perhaps surprisingly, one of the most appealing of his 1995s. This was also the first vintage of a new, similar Rhône partnership, Tardieu-Laurent. Of course in Burgundy nothing is straightforward. There are many shades of existence between growers and merchants, but the existence of these new *terroir* merchants can only accelerate improvements in the most exciting wine region of all.

■ In Britain Chartron and Trebuchet wines are available from Laytons of London NW1, Olivier Leflaive from John Armit of London W11, Verget from Farr Vintners of London SW1, François d'Alaines from Morris & Verdin of London SE1 and Laurent from La Vigneronne of London SW7 and Cave Cru Classée of London SE1.

Appetisers

Celebrating the Marche

Street, Soho (0171-734 5183); Bertorelli's, Covent Garden (0171-836 3339); Toto's, Lennox Gardens, SW1 (0171-589 2063); Zafferano, SW1 (0171-235 5300); The Old Manor House, Romsey, Hampshire (01794-517353); The Moon and Sixpence, Hanwell, Oxfordshire (01295-730544); The White Hart, Great Yeldham.

Halstead, Essex (01787-237250); Isola Bella, Crown Square, Manchester (0161-8317099); Heathcote's, Braxley, Preston (01772-252732) and Ferrier Richardson's restaurant Yes in Glasgow (0141-2218044) as well as at The Walnut Tree, Landewi Skirrid near Aberavenny (01873-832797).

Marchigiano food and wine will also be available at Salumeria Esrense, London SW6; Partridges, SW1; Giacobazzi, Hampstead, NW3; Valentina, East Sheen; Owen Owen, Chester and Kendals of Manchester.

Nicholas Lander

■ Slow is the quarterly magazine of the Slow Food Movement based in Bra in the hills of Piedmont, northern Italy. While the movement campaigns energetically against the worldwide spread of fast food and faster eating, the



magazine takes a broader look at all aspects of eating and drinking. The next issue looks at eating in the streets of Vietnam, Japan and Spain. Annual subscription £26 via tel: 39-172 412518; fax 39-172 411218 or e-mail: slowinfo@slow-food.com. NL

■ Gilbert and Sullivan enthusiasts will be pleased to learn that the Savoy is staging a series of opera nights. For £55 (wine extra) diners are offered a menu of

asparagus "Mikado", a delicious scallop *raviole* "Iolanthe", guinea fowl in Roquefort sauce and peach Melba made to Escott's original recipe.

The Gilbert and Sullivan numbers come in two 20-minute bursts starting with "Two Little Maids from School" and "I've Got a Little List". Sit as close to the singers as you can, as the words can be drowned by the general hubbub in the River Restaurant. The next two performances are on May 7 and June 4. Call 0171-420 2698 for reservations.

Giles MacDonald

■ The up-market Shrewsbury wine merchant Tanners (tel: 01743-22400 for branches) is offering a most interesting 1970 single cask malt from Aberfeldy distillery in Perthshire, bottled in 1996 at 50.3 per cent. It has an attractive, heathery nose and a long, complex, peppery finish, leading on mature flavour rather than oakiness. It sells for £39.24. GM

■ Further to my article last week on the 1996 clarets, I should add that at least seven of the first-growths made excellent wine. Unlike some recent years, Lafite has probably been the most

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TRAVEL

The scent of pre-history on Orkney

Angela Wigglesworth finds a remote island community where the past is ever-present

Pythias, a Greek explorer, is said to have been the first to write about Orkney. He sailed there around 330BC and thought he had found the edge of the world. But the islands have been occupied since prehistoric times: Neolithic Age man farmed there in 4000BC - farming is still Orkney's main industry - the Picts came around 700BC, and Vikings in medieval times.

In 1468, Orkney was annexed to Scotland but Oradians still have strong economic and social links with Norway, and the country's Independence day in May is celebrated with a parade in Norwegian costume through the streets of Kirkwall.

The islands - there are about 70, with 17 or so inhabited - lie 10km north of Caithness off the northern tip of Scotland at the crossroads of the Atlantic and North Sea. They stretch 85km from north to south, 37km west to east, have a population of 20,000, a mild climate, fertile land, long, light summer nights with wonderful sunsets and short winter days.

The island capital - on Orkney's largest island, confusingly for newcomers called the Mainland - is Kirkwall. Its 13th century cathedral of St Magnus, whose bones lie within, has a splendour that dominates the town.

I took the ferry from the little port of Scrabster near Thurso and out far from John O'Groats. In just under two hours we sailed into Stromness, a port since Viking days, and later used by the oyster-fishing her-

ring and whaling fleets. The town's main flagstone street has no pavement and, although only one car wide, has two-way traffic because, when one-way traffic was introduced, it went too fast.

Gabled waterfront houses have their own stone piers and slipways, and narrow lanes (closes), with names such as Kyber Pass and Puffin's Close, called after a former town crier, wind up to houses built on the hillside.

At the Pier Art Centre, internationally known exhibitors show their work, and



there is a permanent collection of sculpture and paintings by Barbara Hepworth and Ben Nicholson. "If we bring in things that are good, it will ensure there's a lively and vigorous community of artists here," says Neil Firth, the centre's director. There is.

There are no dual carriageways let alone motorways, and no traffic lights. The islands have their own newspaper, The Orcadian, and BBC Radio Orkney.

To a visitor, Orkney is peaceful, friendly and beautiful. You can fish, birdwatch,

visit other islands and it must be an archaeologists' paradise for its prehistoric villages and tombs. In 1929, Robert Rendall, a local artist and poet, was sketching on a grassy mound overlooking Eynhallow Sound, when the leg of his stool suddenly disappeared into the earth.

He had discovered an Iron Age chieftain's stone stronghold built in the 1st century BC: the Broch of Gurness. In 1850, after a violent sandstorm blew the surface away, Skara Brae on the shore of the Bay of Skall, was revealed.

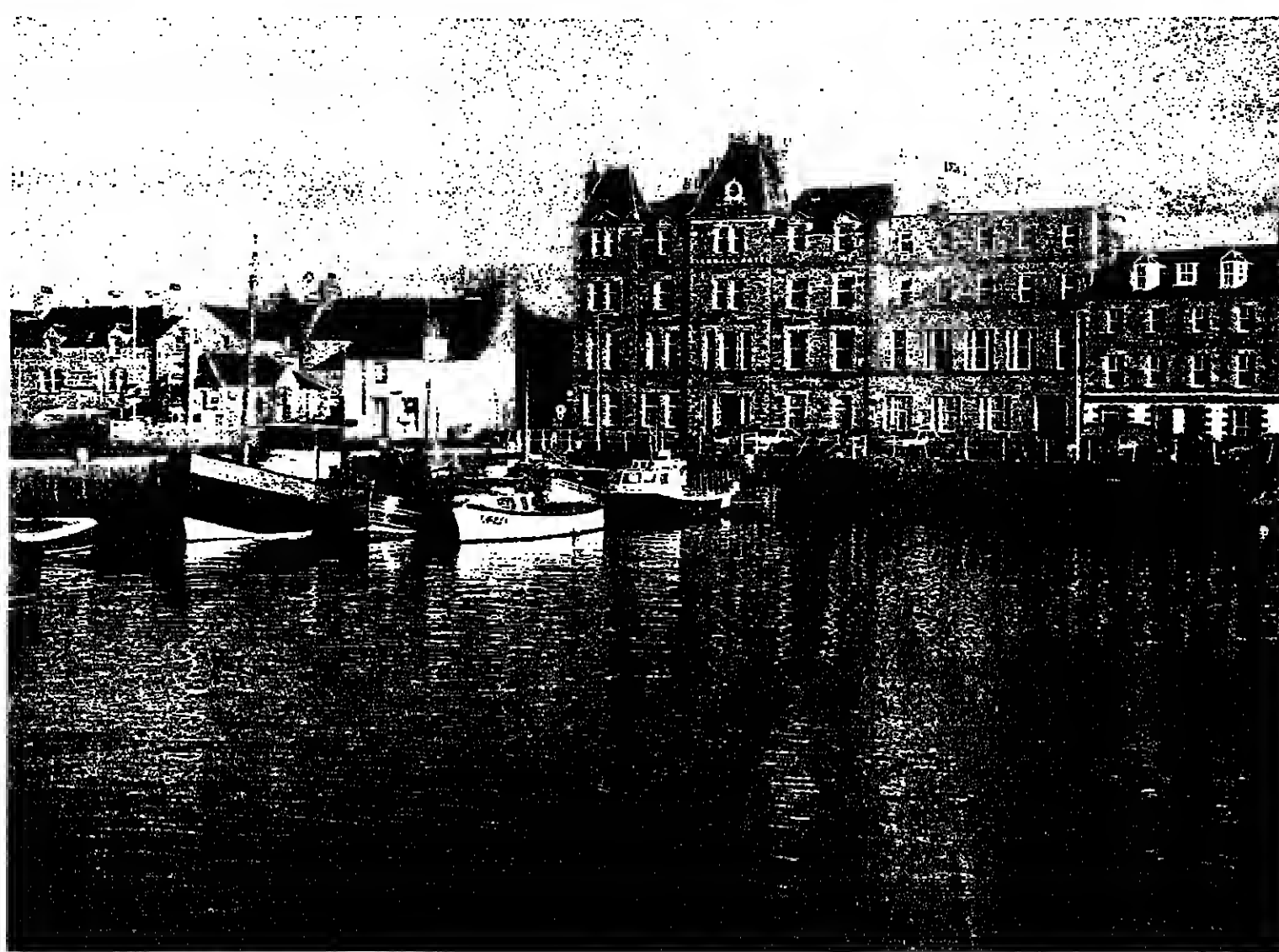
This is an amazing site with the remains of stone houses with stone beds, cupboards, dressers and a workshop built by a community who lived here for 6000 years from about 3100BC.

Another discovery was made in 1858 when farmer Ronald Simison, out for a walk one day, removed a few stones and found a 5,000-year-old chambered tomb, the Tomb of the Eagles, with 16,000 bones.

At Maes Howe, another 5,000-year-old chambered tomb, the walls are covered in Viking runic inscriptions.

Their carver, a man seemingly aware of his talents, left the message: "These runes were carved by the cleverest man in the western ocean." The huge ancient stones of The Ring of Brodgar and the Standing Stones of Stenness, are mysterious and magical places: no one really knows what they were for.

To find out about the more recent past, I went to the Corrigall Farm Museum where Orcadian Harry Flett is in charge. Hens, ducks and sheep happily co-exist around the restored 19th



Kirkwall harbour in the evening sunlight

Richard Ashworth/Robert Harding Picture Library

century farmstead roofed with heather and ropes of straw. Inside, salted and dried fish and meat hang from the ceiling by an open fire over which Flett's dinner boils in a black pot.

He will tell you how they used to farm and how he makes his own ale from his own home-grown barley (a type of barley). It is an acquired taste, he acknowledges, and 5 per cent strength.

One day we drove over the Churchill Barriers that link the Mainland to the islands of Lamb Holm, Glims Holm, Burray and South Ronaldsay. The barriers, made of giant concrete blocks over which roads have been built, were erected by Italian prisoners in the second world war after a German U-boat got into Scapa Flow, a key

anchorage for the Royal Navy during both world wars, and torpedoed the British Royal Oak with the loss of 800 lives.

The harriers were an extraordinary building feat, but on the tiny island of Lamb Holm 300 Italian prisoners, built something else, too: a little chapel, one of the most moving and beautiful man-made things in Orkney.

After Italy capitulated in 1943, prisoners of war in this country were treated more leniently. As well as playing football with local teams, those in Orkney were allowed to build a chapel and they succeeded in transforming two corrugated-iron Nissen huts into what is now called The Miracle of Camp 60.

"Bricks" were painted on to the curved inside walls,

wrought-iron gates were made from scrap iron, candlesticks from stair rods, black lamps from holly leaf tins. Domenico Chiochetti, the artist who designed it, copied the altar picture from a Christmas card he had carried with him throughout the war. Some of the prisoners who built it have since returned to see the chapel, which they have given to Oradians "to love and preserve".

Most of Orkney is low-lying, but the island of Hoy is more like the Highlands. It has grand-scale scenery, vertical red cliffs and the 450ft (137m) high sandstone sea stack famously known as the Old Man of Hoy.

We walked along the beach with its towering cliffs and Atlantic rollers, and later made our way up a

heathery hillside where wild orchids, violets and beech tree grew. Half-way up the hill is the Dwarfie Stone, a 5,000-year-old rock-cut tomb.

On the way back to the

Information

There are frequent car and passenger ferries to Orkney from Scrabster and John O'Groats, and daily air links from Aberdeen, Inverness and Wick, Angela

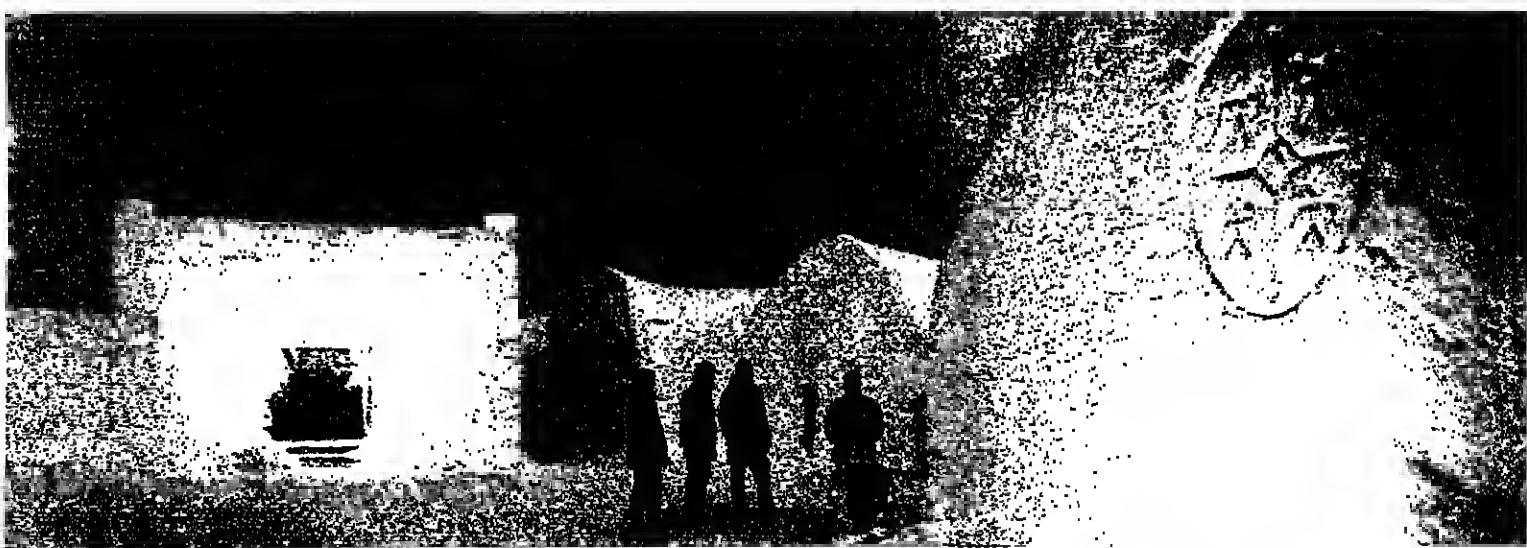
Wigglesworth travelled to Inverness on ScotRail's Caledonian Sleeper, with lounge bar and restaurant, now open to Standard Class passengers, and continued by train to Thurso with bus to Scrabster.

More information: The Orkney Tourist Board, Broad Street, Kirkwall, Orkney, Scotland. Tel: 01856-872856.

ferry we passed a chalked "Vote for Jo" (Grimond, the former Liberal party leader) still visible on an old cottage wall; and on the open moors, a lonely white-fenced grave with a plaque to tell the sad story of Betty Corrigan whom no parish would bury.

Hoy was a hive of activity during the second world war when 30,000 men were stationed at the large naval base there, and comedian Tommy Trinder and singer Vera Lynn, to name but two, came to entertain them.

I stayed at the converted Mill of Eyrlend in Stenness on the Mainland, where Morag Robinson provides enormous breakfasts and excellent evening meals. You can also eat superbly and stay at the Kree Inn and Restaurant in St Margaret's Hope on South Ronaldsay.



Guaranteed to send shivers down your spine: a night in the ice hotel

If the ice is right... go to Sweden

Hugh Carnegie selects a hotel with some very cold comforts

The drunken snow-scooter driver, complete with crash helmet, lurched into our hotel "room" just before midnight bellowing something incomprehensible in slurred Swedish. Quick! Stop that man before he falls over the sleeping children, I thought.

But what could I do? Lying on a bed built of solid ice blocks, I was trussed like a frozen turkey in an all-enveloping thermal sleeping bag with only my face peeking out. Even if I could get out of bed quickly, my feet would freeze in the snow floor. "**** off!" I exclaimed.

Vicky, lying beside me similarly trussed, was more effective. She managed to sit upright and hiss in very comprehensible Swedish that our intruder should leave. Now, no doubt stunned into sobriety by the animated and very angry Arctic gnomes that confronted him, he did, retreating through the snow tunnel that served as the room door.

Such are the adventures that await guests at the "Ice Hotel", the world's biggest igloo and one of Sweden's most exotic winter attractions. Built every year for the past seven seasons in Jukkasjärvi in the Arctic Circle, spending a night in the Ice Hotel is, well, an experience.

It begins with check-in at the adjoining "normal" chalet hotel. Guests are taken into the store room to fetch



'I'd like a drink in the rocks, thanks'

the bulky sleeping bags and hear a briefing on how to survive the night in a room temperature of -6°C. That is not as cold as a deep freeze - but a LOT colder than the fridge.

"It is best to wear just long underwear and a long-sleeved vest in bed because if you get too hot you will sweat and then you will quickly turn cold," said Marie. Too hot? Are you serious? "Oh yes, the sleeping bags should keep you warm down to -30."

Marie had another important tip. "Don't drink too much during the evening and go to the bathroom just before you go to bed. It's no

fun having to get up in the night to go out to the toilet." And so with our three children - Fred, aged 11, Hannah, 9, and Patrick, 6 - we gathered up our sleeping bags to settle down for a night in the Ice Hotel.

The idea for the hotel came to Nils Bergkvist, owner of the Jukkasjärvi resort, when he and his partner saw the reaction of visitors to an exhibition of ice sculpture they staged almost a decade ago, housed in an igloo.

"People said they wanted to sleep in the igloo. It seems that people living in warm houses and sleeping in warm beds dream of what it is like

to live in an igloo," says Bergkvist. Jukkasjärvi is certainly a good spot to do it. An old Sami, or Lapplander, trading post, Jukkasjärvi lies under heaps of snow from November to June.

The Ice Hotel has grown in size with each season. This year it covers 1,500 sq metres and is built from 3,500 tonnes of snow and 1,500 tonnes of ice cut from the river. Work begins in November. Snow cannons are used to make the walls and roofs of the main chambers with the help of big steel moulds.

From the outside, the giant igloo looks unimpressive. But, inside, it is fascinating. This year, the main gallery is supported by six pairs of crystal-clear cylindrical ice pillars. At one end is the ice bar - where you order whisky in the rocks as all drinks are served in glasses made of ice.

In the middle are tables, chairs and sculptures made of ice. Hanging from the ceiling is an ice chandelier, its light provided through fibre optic threads which do not heat up like regular electric bulbs. The bedrooms are built off the main gallery, accommodating as many as 60 people.

Most guests shiver when they realise the beds are fashioned from solid ice. But they have a foam mattress on top, with a layer of reindeer skins to complete the insulation between sleeping bags and ice. The hotel has a

sauna, an ice cinema and an ice chapel.

So how did we get on? The main problem was not the cold, but our friend in the crash helmet and his friends who made so much noise in the bar we could not get to sleep. It seems the Ice Hotel has become such a commercial success that its exclusivity is already under threat from Friday night boozers.

Still, the children nodded off on their king-size ice-bed and only Hannah remarked the next morning that she had felt "a little chilly" during the night.

Once the inebriated snow-scooter gang had roared off into the Arctic night, Vicky and I, too, fell asleep, lying chastely side-by-side on our not-so-king-size ice-bed like a medieval couple laid out in stone on a church tomb.

Marie roused us at 7.30am with a welcome cup of hot blackcurrant juice. "Theo it was time for an even more welcome sauna and breakfast. Marie and her colleagues will be greeting guests at the Ice Hotel until the middle of next month. Then the roof will begin to sag. "By midsummer, it will have all melted away into the river," she says with a sigh.

Jukkasjärvi Ice Hotel, Marknadsvägen 63, S-98191 Jukkasjärvi, Sweden. Tel: 46-980-66800; fax: 46-980-66890; www.lapland.se. Price per night: SEK550 per adult; SEK275 per child, including sleeping bags, sauna and breakfast.

Skiing

All downhill for big business

Todd Shapera looks at sponsorship trends in some of the biggest resorts in the US

Big business is moving in on skiing. It wants to be associated with the sport's youthful, active and good times image and partnerships between corporations and ski resorts are springing up.

For example, a Jeep television advertisement features seductive skiing scenes and offers season passes to New England customers who buy or lease vehicles; Mobil service stations offer discounted lift tickets or beginner lessons at Vermont resorts such as Killington and Sugarbush; at Quebec's Mt Tremblant, ski instructors wear IBM patches on their parkas; and the ski patrol at Blackcomb, British Columbia, is sporting General Motors badges.

As the ski industry in North America consolidates, newly formed multi-mountains conglomerates hope that carving promotional partnerships with sports-oriented consumer brands will help lure skiers to their mountain resorts.

Similarly, big companies are keen to have their consumer brands associated with skiing. In many cases, mountain resorts are ideal promotion sites for their products.

Kathleen Willis, for The American Skiing Company, which owns eight of New England's premier ski resorts, says: "We are looking to become partners with companies which share a common message that skiing and snowboarding are beautiful, challenging and cool."

Combined, those eight mountains drew more than 3.5m skier visits last season, a critical mass which offers marketing synergies that were not possible when the resorts operated independently and competed with each other. So while Jeep tries to sell more vehicles, its television spots are

simultaneously giving an energetic plug for skiing in the American Skiing Company's resorts.

Similarly, Mountain Dew believes it can sell soft drinks by promoting skiing. Sales manager Frank Tansey says a pulsating "Do the Dew Down the Slopes" advertising campaign targets 18 to 38-year-old "fun seekers". Purchasers of 12-pack cartons receive learn-to-ski coupons at the American Skiing Company's mountains.

Willis says the advertisements and brand links "contribute to the sense that we are the place to be". Tansey believes that Mountain Dew's winter sports promotions contributed to the

Blackcomb's skiers as "an ideal market for linking papers to family communications and child safety".

Also at Blackcomb, General Motors offers resort patrons test-drives in four-wheel drive and sport utility models in wintry conditions on a snowy obstacle course.

Intrawest regards this as adding to the guests' overall resort experience, because they are not likely to have the time or opportunity to test-drive the vehicles in mountain conditions otherwise.

As part of the package, Intrawest persuaded General Motors to support mountain safety programmes. These include loaning helmets to ski school children and supporting the ski patrol. "The helmets reinforce our safety image with parents. It's a good fit for the company," says Jean Simmons, advertising manager.

At Mt Tremblant, another Intrawest resort, ski instructors began wearing IBM patches on their parkas after the computer company installed a system that helps the ski school track the schedules of more than 200 instructors, as well as student records.

Mountain managers and corporate marketing departments appear to have only just begun to tap the potential of such strategic partnerships.

This summer, for example, Whistler/Blackcomb plans to announce a new pact with footwear giant Nike. Nike intends to fit out the resort's snowboard instructors as part of a venture into winter sports.

"It will be a very important deal for both companies," says Languedoc, adding: "It's ideal brand positioning. We are both into athletic lifestyles, performance, aggressive growth and being extremely competitive."

The potential of new strategic partnerships is only just being tapped

cola's double-digit sales growth in the north-east US last year. Mobil's ski and snowboard coupons generated more than 100,000 redemptions last season.

The largest skiing corporation in North America, Vancouver-based Intrawest, which owns resorts including Mt Tremblant, Blackcomb, and is in the process of securing neighbouring Whistler, takes a different tack in its own partnership arrangements. "We focus on adding value to guests' premium resort experience," says Intrawest's Sean Languedoc.

Hence, a programme at Blackcomb by BC Tel Mobility, the mobile telephone network, which provides pagers to parents of ski school students. The company's marketing manager, Michael Soy, describes

TRAVEL

Standing on the upper deck of the Aegean ferry I strained my eyes for a first sight of my island destination. But if ancient mariners were to be believed I needed more of a sense of smell.

"The Perfumed Isle" - that is what they called Chios. Its unique scent, it was claimed, was as good an indicator as today's radar. Apparently it lured Columbus to voyage eastwards before heading west to look for America.

Yet the islanders must have felt it a mixed blessing. All too often the cause of the scent proved a fatal attraction. It brought every pillaging nation from Venetians and Genoese to Turks along with pirates to kill and plunder.

They were all hungry to lay their hands on the resin of the mastic plant that still grows there in profusion. This plain but strongly aromatic bush also added a word to our vocabulary - masticate. From that, it is an easier step to understand why Chios also gets the nickname of "The Chewing Gum Isle".

For many years mastic was the basis for the gum until a cheaper substitute came along. It also made a chewy sweetmeat. So desperate were the Ottoman sultans to get it to keep their harems happy that they plundered the whole stock at the point of a scimitar. Nowadays, it is mainly used to make a liqueur and a jam.

For centuries, Chios has been one of the Aegean's star attractions, so I had expected it to be suffering a contemporary style invasion - from mass tourism. Not at all. This was one Greek island not sinking under a weight of concrete high-rise and souvenir shops.

The overnight ferry from Piraeus was mainly carrying Greeks, mostly returning islanders. I could have flown in by aircraft on the daily scheduled service but the "wine dark sea" crossing is a more relaxing preparation. Arrival in the main port, Chios Town, also provided a clue towards explaining the absence of tourist hordes.

Lying moored under the imposing Venetian fortress was an array of large luxury yachts more evocative of Monte Carlo. Strangely so in an unsmart workaday harbour. But this was no secret jet-setting hideaway, as I discovered from a helpful local. This was the yacht owners' home port. He also added yet a third nickname for Chios. "We call this the Shipowners' Isle," he explained.

Chios, it is claimed, has more top Greek shipowners than anywhere else in the Aegean. They include such leading names as Livanos, Lemos and Chandris. Although they spend much of their busy lives elsewhere round the world, they return in summer as instinctively as salmon drawn to their spawning grounds.

It is their love for their homeland that has, I was told, kept mass tourism at bay. They do not want its traditional way of life and scenic charms bespoiled. Greater privacy for themselves in their lavish man-



The Nea Moni monastery, Chios: drive anywhere and you come across fascinating ancient habitation

Robert Harding Picture Library

Exploring the shipowners' isle

Bill Glenton finds a Greek island that has avoided the perils of concrete high-rise and souvenir shops

sions might also have a bearing on it. In return, they have contributed millions towards providing local amenities such as a hospital and an Olympic-sized swimming pool.

Paradoxically, they also had to build one of the island's few hotels of any size. There was such a lack of quality accommodation they had nowhere to house the overflow of their guests. Even today Chios boasts little in the way of tourist resorts. There is a moderate-sized seaside one with a holiday complex, but it would hardly be noticed on a crowded island like Rhodes. Historically, the seaside is something the inhabitants steered clear of. Centuries of invasions forced them to live well inland for safety's sake in buttressed villages.

I doubt you will find a finer example of a fortified settlement in the Aegean than Mesta. This walled 12th century habitation is an

architectural Brazil nut needing some cracking to enter. There is just a single tunnel-like entrance leading into almost subterranean roofed, narrow streets. A potholer would revel in exploring the mysterious crannies that once hid villagers from attack.

All at once I found myself in Mesta's tasty kernel - a marvellously preserved central stone square. It was a veritable time capsule as well. Even the half a dozen inhabitants there looked a medieval throwback. At the one, small open-air café a man was reading poetry aloud to a companion. It might well have been from *The Iliad*. Chios boasts of being the birthplace of Homer. So do half a dozen Greek places but who's counting?

At another table a stout woman was loudly chatting to a friend. My local guide told me dryly: "She's reporting all the village news -



Mesta's version of the local radio station." Anywhere else round the Aegean this place would be besieged by organised coach parties yet I was the only visitor this late spring day. Maybe it gets busier in high summer although Mesta gets just a brief mention in the local tourist pamphlet. History is so much an ordinary way of life here.

Drive almost anywhere along the fairly reasonable if narrow roads on this 30 by 15 mile island and you come across some fascinating ancient habitation. A few minutes' drive from Mesta stands Pigi, with its eye-catching medieval buildings decorated in unique "xysta" style geometric grey and white patterns.

It is one of the so-called "mastic villages" on the southern plain, or Campos, covering the southern end of the island. I drove across it through masses of the mastic shrubs, sadly now mostly unrooted. Yet the scent in my nostrils was more that of the citrus groves that provide better wealth today.

Chios oranges are the plumpiest, juiciest I have eaten. But it was the northern, more mountainous half of the island that proved a tastier scenic joy. It is even more deserted; poverty forced mass migration. Today you are more likely to

find Chios-born natives in Australia. There was no more emotive example of this than in one almost totally deserted village.

What made it more poignant was the presence of one of just half a dozen remaining inhabitants, the village "pappa". Faithfully he conducts his daily services and prayers in a virtually empty church.

For sheer devotion, however, it was hard to beat that of the handful of nuns in the island's finest historic building, the lovely 11th century Byzantine monastery of Nea Moni, one of the best of its kind in Greece. Old age - not one nun was under 70 - has diminished their number but not withered their spirit.

They tend the age-old furnishings, including remarkable frescoes and mosaics, as best they can. But time seems to mean nothing here judging by the ancient Byzantine clock that tells the hours and days in centuries

old manner - upside down. The vista from the monastery is well worth the drive along the twisty mountain road. There was little traffic but you need to keep your eyes open or it's easy to miss one of the most remarkable villages of all.

Anavatos is not so much a habitation as part of a mountain. At a distance the houses look like natural rocks. Even close up they blend in. No wonder British

commandos hid there during the second world war. It is one more reason why visitors should take plenty of time to tour this unspoiled island.

While one could drive round it in a day, three or four would be better to absorb its interests. You will find few tourist hotels away from the coast but Chios is one place where it is worth staying in private homes in villages such as Mesta.

The Greek Tourism Organisation has put a special effort into making private accommodation suitable for foreigners. One British tour company, at least, believes such stays are suitable for its clients by including them in a self-drive package as an add-on to a beach or Chios Town stay. Generally, travel firms have ignored the island and it may better suit independent holidaymakers. There should be no problem finding accommodation outside summer at least.

Information
 The Greek National Tourist Organisation, 4 Conduit St, London, W1R 6DB. Tel: 01753 7555 5555. Fax: 01753 7555 5555. Website: www.gnto.gr. Email: info@gnto.gr. The Greek Islands Travel Guide, 100 Victoria St, London, W1R 0NU. Tel: 01753 7555 5555. Fax: 01753 7555 5555. Website: www.greekislands.co.uk. Email: info@greekislands.co.uk.

A voice from across the water

James Henderson enjoys sailing off the Turkish coast - with unexpected accompaniments

A home truth proved itself. It was something I had often been told: "Of course, James, sound carries particularly well over water", but had never been able to verify in all the noise and activity of twentieth century life.

But there it was, in a cove off the southern coast of Turkey. A cough and a snatch of conversation, sharp as a bell, from another yacht nearly 200 yards away: "Michael, darling, which bit is the yard-arm anyway?" Unfortunately, it was a piercing voice, from somewhere in central London I supposed, and somehow it managed to follow us from cove to cove for most of a week's sailing in Turkey.

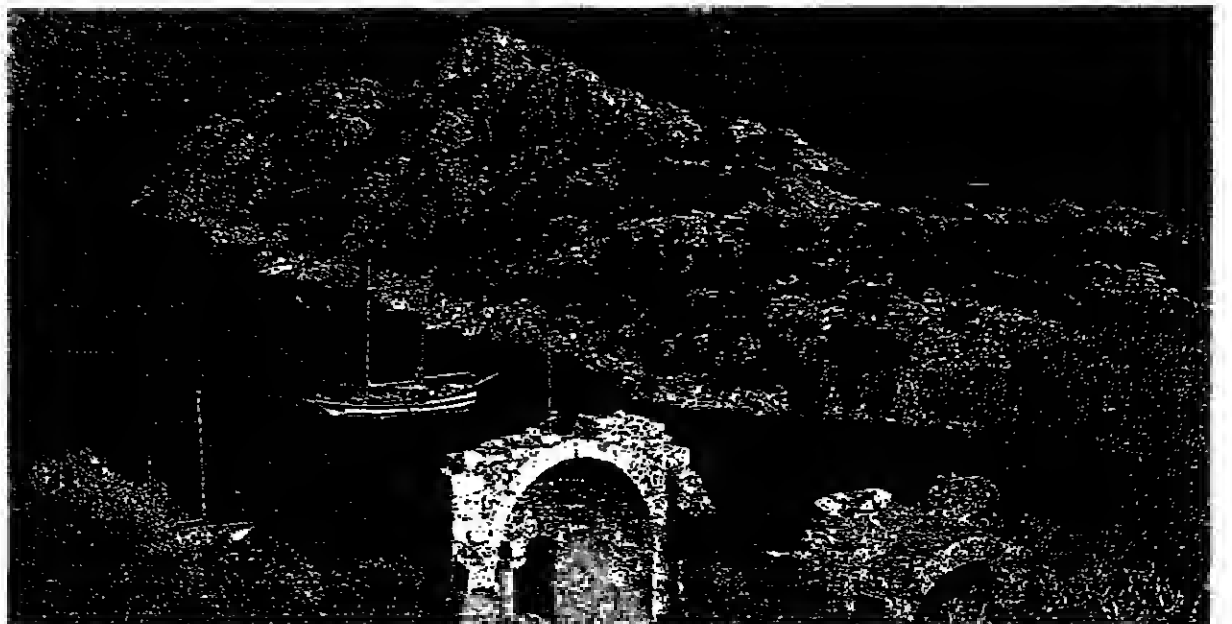
I would have to admit that sailing is not something I do for love, certainly not off the British coast if there is any chance of bad weather. The compactness of a yacht all too quickly tips into crampedness. And for days back onshore I get that wobbly feeling, where the world swings back and forth and the pavement bucks and rises. But then the Mediterranean in late summer was a more attractive prospect.

An hour out of Marmaris, the Turkish coastline was remarkably undeveloped. Barely a regular structure,

road or building, broke the contours of the mountainsides. Ragged, stony slopes rose straight from the shore to 1,000 ft. As we sailed on a light wind, small islands slid quickly past and behind them ranges stood immobile on the skyline.

Stopping during the day, the coves were still as the breeze passed over the shoulders of the bay high above us. The water was transparent - jumbled rocks faded gradually into blue beneath the horizon. Shooting stars flashed across the sky. One night the ink-black silence of the bay was broken by a periodic blow of air and a splash - a dolphin cruising around.

The land was as steep below the waterline as above, causing me some problems with a runaway chain when I was trusted with anchor-duty. But at the head of every cove you find shallow water and a small, habitable area, and there, reliably, a restaurant. They



Sailing off the Turkish coast: 'The water was transparent - jumbled rocks faded gradually into blue beneath'

Robert Harding

are simple affairs when you come ashore, with plastic tables and chairs, but from afar their vine-covered terraces and coloured lights make them look irresistible. We settled in for evenings of subtergine salads swim-

ming in oil and garlic, sliced tomatoes and beans, lamb kebabs, chicken in yoghurt, which came on a volley of small plates. Around me, the dishes rose and fell and friends swung from side to side as though

sitting in bosun chairs. We walked when we could - the ground was rough and stony, with scrub growing in any available crevice. It must be appallingly hard to cultivate. Only the goats seemed happy, scattering at

a sprint when we appeared around a rock. It always surprises me how quickly you can gain altitude when walking uphill. I looked around to find us 700ft or 800ft up, the yachts tiny and the bay laid out before us. We sat and took in the scene. A fishing boat pattered and faded a couple of miles away.

Suddenly, "Michael, how could you do such a thing?" Poor Michael, I thought. I spotted him by chance later on, as he was docking the boat at the end of the week - docksiders, panama hat and brightly coloured polo shirt - being given more than enough advice about how to tie up to the mooring buoy in harbour.

It was a curious experience, being (andibly) so close to another yacht and yet not acknowledging it. I imagined them, later that night, frustrated, wanting to shout out the answers to our less successful rounds of Who's in the Bag? "Politician, Aussie, cried on TV...llked golf...was married to Hazel...had a dog called Ozzy..."

As the dusk gathered and the air chilled and thickened, the skyline faded from orange to black and five or six green and red lights illuminated the restaurant terrace 200 yards away. Gradually I realised that the air was full of opera: the martial grandeur of the final scene in *Aida*, harried out towards us, fanfare and chorus filling the whole valley, and then (it was the operatic equivalent of a Greatest Hits tape, admittedly) the plaintive notes of Puccini's *Madame Butterfly* swam across the millpond surface of the water, every sound sweet and clear, and touching.

Suddenly, there was a shriek: "Michael, honey, I need you...now!" I hope it was for something nice.

CONCORDE

Elegant Resorts

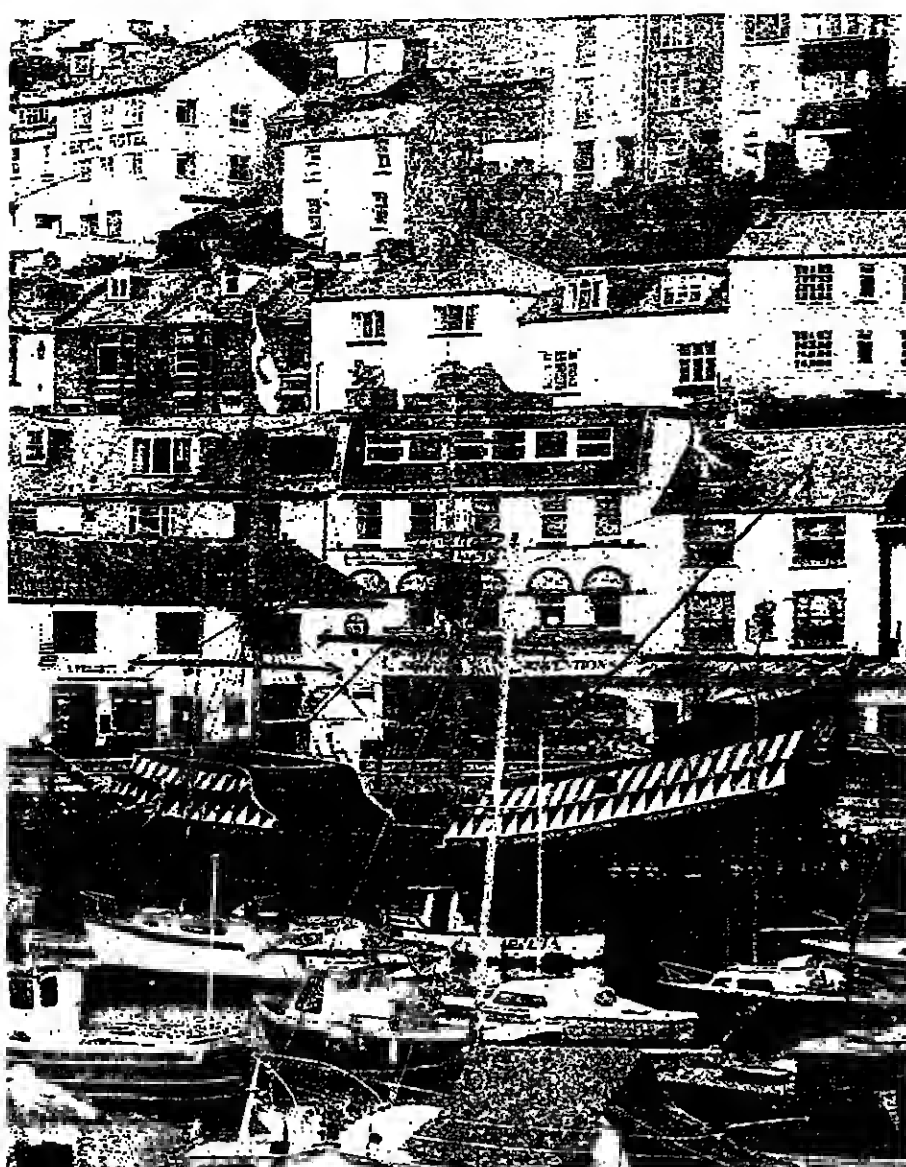
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TRAVEL

For the criminal mind

Adrian Gardiner follows the Agatha Christie tour around Devon



Brixham, south Devon: huddled terraced houses climb the cliffs

Adrian Gardiner

Sales of 400m books make the late Dame Agatha Christie the most successful crime writer ever. This year the English Riviera and South Hams tourist boards introduced trails linking 50 locations. Agatha Christie Ltd has insisted on high quality marketing and merchandising.

Torquay, where the "Queen of Crime" was born, is in any case an upmarket resort. "Kiss-me-quick" hats, fairgrounds and bingo parlours are hard to find. I began my investigation at the Grand Hotel where Dame Agatha spent her honeymoon on Christmas Eve 1914.

To stay at the Grand is to step back in time, to experience standards of courtesy and service old people might just remember. (On my second night a waiter greeted me with: "Will Sir be having his usual whisky?") The hotel boasts an Agatha Christie suite, furnished in period art deco style.

Across town is The Imperial. Disguised as "The Majestic", it appears in *Peril at End House* and *The Body in the Library*. New in 1966 – the railway had just put Torquay on the map – it became fashionable, attracting

French and Russian Imperial families, the Prince of Wales (later Edward VII) and his mistress Lily Langtry.

A broad sweeping bay, sub-tropical gardens and rows of glittering white Victorian villas on wooded hills have earned Torquay the title of the English Riviera. Torquay is even more dramatic at night. A million coloured lights along the promenade dance in the sea.

Torquay remembers its famous daughter in the civic museum, with photographs and memorabilia – but no mention of her infamous disappearance. Torre Abbey holds original manuscripts and her 1837 Remington portable typewriter.

The elegant pavilion, where as a teenager she attended classical music concerts, is now a smart shopping mall. Nearby, Agatha's bronze bust looks over Princess Gardens (Princess Louise, daughter of Queen Victoria), which feature in *The ABC Murders*.

Although no record of it exists she must almost certainly have visited nearby Brixham, Britain's sixth largest fishing port. A statue of William of Orange – he made his landfall there – dominates the harbour. The town is very attractive with rows of huddled terraced

houses climbing the cliffs. They are reminiscent – at least when the sun shines – of Italy's Cinque Terre.

Take the scenic railway from Paignton – as Hercule Poirot did in *The ABC Murders* and *Dead Man's Folly* – for Kingswear. Agatha Christie knew the station well; in another incarnation it is Exeter station in the film of John Fowles' *The*

This charmingly idiosyncratic hotel is still a mecca for film stars on holiday

French Lieutenant's Woman.

Ferries cross the Dart estuary to Dartmouth, cradle of naval officers. It is rampant with history: the Crusaders; the Spanish Armada; brandy smugglers from France and Spain; the Pilgrim Fathers' *Mayflower*. It was also the scene of Agatha's crimes: *The Regatta Mystery* and *Ordeal by Innocence*, in which the "Royal

George" hotel was modelled on the real Royal Castle.

The crew and cast of the film, starring Donald Sutherland and Faye Dunaway, took over the 17th century coaching inn for three months. This charmingly idiosyncratic hotel still draws film stars on holiday.

Dame Agatha bought Greenway House in 1938 after her second marriage. It is private but can be seen from the Dart. Several companies, including Red Cruisers, run trips upriver: the Dart is navigable as far as Totnes and en route we pass the Anchor Stone where Sir Walter Raleigh is said to have relaxed with his pipe and tobacco from the New World, and the village of Dittisham ("Gisham" in *Dead Man's Folly*) where media stars have holiday retreats.

West of Dartmouth the coastline grows increasingly picture-postcard. Hilly green fields end in abrupt cliffs. Blue seas wash sandy coves and flat deserted strands. A fresh breeze fills the fluorescent sails of windsurfers.

Along the five miles of Slapton sands are two memorials: an obelisk and a Sherman tank. Here, in 1943, during one dreadful US Army exercise, live ammunition was fired on the wrong

beach. Hundreds died. Salcombe has strong maritime traditions. Once famous for transatlantic clippers bringing the first oranges and pineapples, it is still an important yacht anchorage.

"We had a major problem during the filming of *Peril at End House*," says the harbourmaster. "Had to get rid of every single modern fibreglass boat."

Nearby Burgh Island and its 14th-century Pilehead Inn were bought in 1929 by Archibald Nettlefold, an eccentric millionaire who built a fantastic folly of an Art Deco hotel. He knew Agatha Christie through the London theatre scene, and the island appears in two novels: *Evil Under the Sun* and *Ten Little Niggers*. Even in 1939 the latter title had to be published in the US as *And Then There Were None* while the film was called *Ten Little Indians*. Political correctness is nothing new.

English Riviera tourist board: tel 01803-296296

South Hams tourist board (which has a state-of-the-art accommodation booking service): 01758-898889

Grand Hotel, Torquay: 01803-296677

Royal Castle Hotel, Dartmouth: 01392-833633

Burgh Island Hotel: 01548-810514

Paris and Brussels have never been closer. The new TGV train, the Thalys, gets you between the centre of the two capitals in less than two hours at a weekend cost of FF250 (£26.62). It is a painless experience.

It comes at a time when the cities are edging together culturally. French-speaking Brussels has always had an inferiority complex towards the epicentre of French life, and although the King of the Belgians, gorged with wealth from his conquest of the Congo, attempted to take on Paris architecturally in the 1930s, it was a vainglorious challenge.

Now Paris is prepared to admit that the cities shared

Train travel with a cultural purpose

Antony Thorncroft looks at what can be achieved during a weekend with a little careful planning

a cultural history for much of the 19th century, and a fascinating, if somewhat didactic, exhibition is currently on show at the Grand Palais, Paris-Brussels, Brussels-Paris, which traces the artistic cross-currents.

Throw in the highest retrospective of the work of Belgian artist, Paul Delvaux, master of the atrophied nude, currently on display in Brussels, and you have a wonderful excuse, almost an imperative, to take the high speed rail triangle – Waterloo to Paris-Nord, Paris-Nord

to Brussels-Midi, and home again, culturally replete.

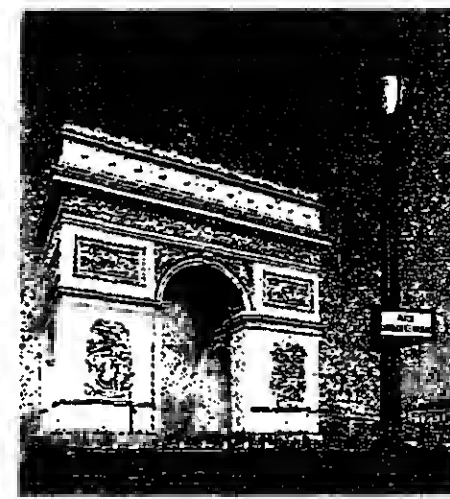
For much of the 19th century, Brussels was a haven for those writers who, for political or morality reasons, got on the nerves of the French authorities – Victor Hugo, Baudelaire, Verlaine, Rimbaud were just some of the literary greats who found refuge, fame, or publishers, in Brussels.

The exhibition at the Grand Palais celebrates them, but also those artists who found it easier to get a leg up in less critical, more

open minded, Brussels. Tisot was a star, but so was Manet, whose paintings were accepted for show there when the Paris Salon was still unimpressed. Seurat also achieved his breakthrough there, inspiring a fanatical group of Belgian pointilliste imitators, while Alfred Stevens was a Belgian who made it big in Paris.

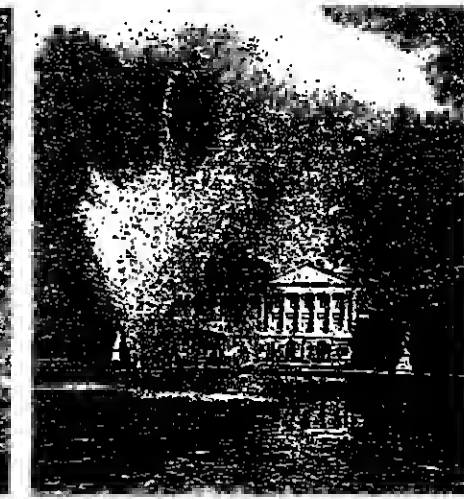
The appeal of this show is that it draws together in one place over-looked paintings and sculptures, art nouveau and posters, musical recordings and architectural drawings, along with some familiar masterpieces, that have been scattered around the world, and gives them a context. It also opens eyes to that secret life which often lies below the surface of Belgian bourgeois respectability – the mystics, symbolists, satanists, decadents who in the 1890s took seriously what Oscar Wilde and London's Yellow Book aesthetes just played at.

Cultural travel is becoming big business, and tourist offices are well alive to the increase in visitors that a major art exhibition can stimulate. Last year, Cézaune at The Hague, Goya in Madrid, hauled in the art groupies by the hundred thousand. Delvaux,



The Arc de Triomphe

Headline Photo Agency



Palais de la Nation, Brussels

Universal Pictorial Press

who combines in his paintings that weird trio of obsessions – trains, nudes and the antique, looks like doing the same this year for Brussels. Hotels, too, can see the advantage of promoting themselves as artistic havens frequented by stars. In London the Landmark Hotel at Marylebone is courting this market, and the Scribe in Paris and the Astoria in Brussels, both managed by the Sofitel group, are being modernised to cater for arty types.

It helps if the hotels have some tradition. The Scribe, hard by the Opera Garnier

in Paris's most fashionable arrondissement, reeks of memories. Formerly the Jockey Club, in a café in its basement the Lumière Brothers gave the first public screening of the movies, in December 1895. It was also successively the headquarters of the German Press Corps and then the Allies during the second world war, with Lee Miller and Hemingway among its habitués. It was also the home of the youthful James Goldsmith. After years of splendour it is now dusting off its cultural credentials.

The Astoria is going for

music. Piped Mozart greets you on its steps and the Louis XVI interiors, as reconstructed in the Edwardian era, are the setting for weekly concerts. The hotel was built to house the surplus guests of the King of the Belgians, but the secret passage which linked it to the nearby Royal Palace is reputedly sealed up. With guests stretching from Rubinstein to U2, the Astoria keeps its artistic niche.

From a cultural perspective Paris and Brussels offer very different experiences. Paris is so replete with museums that many fail to

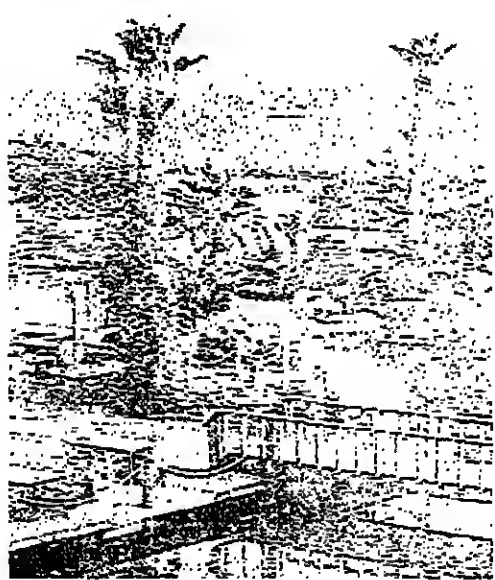
get the attention they deserve – the Carnavalet, the museum devoted to the history of Paris, with its gory Revolutionary mementoes: the Picasso Museum, with the paintings kept by the artist, now on display in an elegant 17th century mansion; the Rodin can be sadly ignored.

Brussels on the other hand is reckoned to be a one-day tourist town and concentrates its visitors on the tired-looking Grande Place, and the restaurant-strewn, gift shop area around it. Its fine art museums, gathered together behind the Gare Centrale, are too easily overlooked, although they are strong in Rubens and Brueghel. Thankfully, they are free. There is also the wonderfully antiquated Musée de l'Armée, slightly off-centre in the Parc du Cinquantenaire.

However, as in Paris, a visit to view something special needs planning. The Delvaux exhibition has a timed pre-booked entrance system, while Paris-Brussels is pre-booked in the mornings but available to all in the afternoon. Both exhibitions can now be easily visited in a weekend by train, the former offering an exhaustive insight into one of the most obsessional, quirky, and gifted artists of the century; the latter sketching in the historical background to the most creative period in the art of both countries. Travel with a purpose – what could be more pleasant?

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The American love of flying

Farrol Kahn finds three places which are a must for air enthusiasts

Of all the countries in the world, the US has had the longest-running romance with aviation. It started in 1903 when the Wright Brothers, two bicycle mechanics from Dayton, Ohio, were airborne for 12 seconds in their flying machine.

From that day, Americans expected the flying machine to revolutionise daily life and change the world. And so it has in spite of vicissitudes in the relationship. The event was hailed as a miracle and soon people were flocking in hundreds of thousands to witness flight. In 1910 in Chicago, for example, more than 1m assembled for the take-off. "Never have I seen such a look of wonderment in the faces of a multitude," said an observer.

There were denunciations from the pulpit by clergymen who claimed that man had invaded the heavens, and would be punished. But the air-minded public had taken the flying machine to its heart, and a glorious aerial age was forecast.

Alfred Lawson, a baseball player, was most forthright about what was in store for mankind. In 1919, he designed an airliner capable of carrying what was then a remarkable number of passengers, 28. In an article termed "Natural Prophecies," he stated that aeroplanes would be flying the Atlantic before 1930.

The affair between Americans and the flying

Where to go when you're grounded

The three most significant places for aviation enthusiasts in the US are: The Smithsonian, the Wright Brothers' Memorial and Kennedy Space Center.

THE SMITHSONIAN. With more than 5m people a year coming through its doors, it is the most visited museum in the world. The two most popular items in the museum story are good indicators of the fact that the public wants to identify closely with the objects of its love: the astronaut space food and personalised dog tags. The food is freeze-dried up to -480°C and the dog tags are identical to the ones issued by

the US Armed Forces.

As one shop assistant observed: "They take a bite and they're up there. They wear a dog tag and they're in a space suit."

The holy grail of flight and the legacy of Americans' romance with aviation hangs from a ceiling in the entrance. At the opening ceremonies of the Smithsonian National Air & Space Museum over 20 years ago Sir Oliver Franks, Britain's ambassador to the US, pointed to the Wrights' Flyer. "Behold, here's the original wheel," he said.

THE SMITHSONIAN National Air & Space Museum, Independence Avenue, 6th

Street, Washington DC. Open every day of the year except Christmas from 10am to 5.30pm. Information: 00-1-202-357-2700. It is a feast of aviation and space history with original artefacts.

WRIGHT BROTHERS' MEMORIAL. A national shrine to aviation at the Kill Devil Hills, North Carolina. Here the first flight was made on the Outer Banks. It is visited by more than 500,000 pilots and enthusiasts a year. Visit time: join The First Flight Society for \$25 a year. PO Box 1903, Kitty Hawk, NC 27949.

KENNEDY SPACE CENTER. On Florida's space coast, an hour's drive from

Orlando. This is the site of the US space programme.

The visitors' centre provides a tour of the site, and displays all a film complex and museum. Information: 00-1-407-577444.

For the aviation fan, it is a year-round attraction. The visitors' centre provides a tour of the site, and displays all a film complex and museum. Information: 00-1-407-577444.

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machine reached a torrid moment with Lindbergh's non-stop transatlantic trip to Paris in 1927. The celebration of Lindbergh and his flight extended beyond parades, speeches and public gatherings. Americans named babies, streets and schools after him, designs of the *Spirit of St Louis* were made into all types of products and 4,000 poems were written about him.

"Americans' horrified words from the Bible, is God, miracle, saint, to describe aeronautical activities," said Joseph Corn, a social historian. "For many people perceived the conquest of the skies as a profoundly spiritual activity."

But being a practical people they wanted to make wings available to all. The

fact that they were easy to fly and on the other by what became known as the female factor. The aviation industry encouraged women to fly because, as Louise Thaden, a pilot, said: "If a woman can handle a plane, the public thinks it must be 'duck soup' for men."

I asked Dr Tom Crouch, curator of the Smithsonian Air and Space Museum, and doyen of US aviation, about the failure of the dream. "The notion was not practical. Flying is dangerous and people are afraid of flying."

But by the end of the war, another solution was in sight. Airlines began to introduce aircraft such as the Lockheed Constellation that could fly above weather fronts and carry 50 passengers non-stop over the Atlan-

tic. The real breakthrough came with the appearance of wide-bodied jets in the 1960s. They enabled great migrations of people, equivalent to the population size of the US, to move around the world twice a year.

The US embraced flying with all its might and now 40 per cent of the world's aviation is carried out there. And the latest manifestation of interest in flying? Collecting air miles. "It has become a way of life," says Matthew Eastlake of United Airlines. "You can get them when you buy flowers, eat in a restaurant or on a home loan. Americans are the largest collectors in the world."

Farrol Kahn is director of the Aviation Health Institute, Oxford.

INTERNATIONAL ARTS GUIDE

What's on in the principal cities

ADELAIDE

EXHIBITION
Art Gallery of South Australia Tel: 61-8-2077000
● The Weimar Republic: German Prints and Drawings 1918-1933: exhibition of 150 works presenting a survey of German art during the time of the Weimar Republic. Artists represented include Max Beckmann, Otto Dix, George Grosz and Käthe Kollwitz; to Apr 27

AMSTERDAM

CONCERT
Concertgebouw Tel: 31-20-6718345
● András Schiff: the pianist performs works by Schubert; Apr 25

EXHIBITION
Van Gogh Museum Tel: 31-20-5705200
● Art in Vienna: exhibition featuring paintings and applied art from Vienna, spanning the years 1870-1918. Highlights include works by members of the Wiener Secession movement, (with Gustav Klimt as its most important representative) and portraits by the Expressionist artists Egon Schiele and Oskar Kokoschka. The display also examines the work of the design institute Wiener Werkstätte, featuring furniture by Josef Hoffmann, silver objects by Kolo Moser and designs for the Viennese Art Nouveau magazine "Ver Sacrum"; to Jun 15

ANTWERP

EXHIBITION
Koninklijk Museum voor Schone Kunsten Antwerpen Tel: 32-3-2387809
● Vlaamse Miniaturen voor Vorsten en Burgers, 1475-1550: exhibition covering the years 1475-1550, a period in which Flemish miniaturists developed a unique style that served as a source of inspiration for many other artists, both in Flanders and abroad; to Jun 22

BARCELONA

CONCERT
Palau de la Música Catalana Tel: 34-3-2581000
● Orquesta Sinfónica de Galicia Orfeo Catalá: with conductor Víctor Pablo Pérez, performs works by Britten, Hindemith and Fauré; Apr 22

EXHIBITION
Fundació la Caixa Tel: 34-3-4588907
● Sophie Calle: display of work by the photographer who uses aspects of surveillance and voyeurism in her work. The exhibition includes the series that Calle produced based on stories by the American writer Paul Auster in his book "Leviathan", which in turn was inspired by some stories by Calle; to Apr 27
Fundació Joan Miró Tel: 34-3-3291908
● Peter Greenaway: Flying over water. The Icarus Adventure: Installation in 30 parts examining the Icarus legend from a variety of perspectives; to 25 May

BELFAST

CONCERT
Belfast Waterfront Hall Tel: 44-1232-334400
● The RTE National Symphony Orchestra: with conductor Stefan Sanderling and cellist Steven Isserlis, performs works by Dvorak and Brahms; Apr 24

BERLIN

CONCERT
Konzerthaus Berlin Tel: 49-30-203090
● Requiem: by Brahms. Conducted by Joachim Geiger, performed by the Neuer Chor Berlin. Soloists include soprano Hanna Dora Sturidottir and baritone Hanno Müller-Brachmann. Part of the Brahms celebration; Apr 27
Philharmonie Berlin - Grosser Saal & Kammermusiksaal Tel: 49-30-2614383
● Berliner Philharmonisches Orchester: with conductor Daniel Barenboim, performs works by Ravel, Mozart and Rimsky-Korsakov; Apr 26, 27

EXHIBITION
Alte Nationalgalerie Tel: 49-30-209050
● Adolph Menzel (1815-1905): Between Romanticism and Impressionism: retrospective exhibition featuring 130 paintings, drawings, pastels and watercolours by Menzel, one of the leading German artists in the second half of the 19th century; to May 19

OPERA
Deutsche Oper Berlin Tel: 49-30-3438401
● Il Trovatore: by Verdi. Conducted by Paolo Olli. Soloists include Amanda Halgrimson, Ulrike Heisel and George Fortune; Apr 26
Staatsoper Unter den Linden Tel: 49-30-20354438
● Fidelio: by Beethoven. Conducted by Asher Fisch, performed by the Staatsoper Unter den Linden. Soloists include Anni Suhonen, Falk Struckmann and Sergei Larin; Apr 27

BIRMINGHAM

CONCERT
Symphony Hall Tel: 44-121-2002000
● Wiener Philharmoniker: with conductor Sir Simon Rattle performs works by Haydn, Strauss and Berlioz; Apr 22

BRISBANE

EXHIBITION
Queensland Art Gallery Tel: 61-7-3840-7333
● Paris in the Late 19th Century:



'La Naissance de Vénus' by Paul Delvaux, the Belgian artist whose works are on show in Brussels

exhibition examining Parisian cultural, social and political life in the 1890s. On display are paintings, sculptures, prints, posters, photographs, decorative arts and jewellery by some of the leading names in art during that influential decade, including Monet, Renoir, Gauguin, Cézanne, Toulouse-Lautrec and Pissarro; to May 18

BRUSSELS

CONCERT
Palais des Beaux-Arts Tel: 32-2-5078200
● Orchestre National de Belgique: with conductor Yuri Simonov and cellist Karine Georgian, performs works by Bach, Haydn, Schubert and Mozart; Apr 22

EXHIBITION
Musées royaux des Beaux-Arts de Belgique - Musée d'Art Ancien Tel: 32-2-5083211
● Paul Delvaux: thematically organised retrospective devoted to the work of the Belgian artist featuring approximately 120 paintings and 130 works on paper from international collections. Also on display are a number of letters, photographs, souvenirs and other documents, including 21 of Delvaux's sketch books; to Jul 27

CAMBRIDGE

EXHIBITION
Fitzwilliam Museum Tel: 44-1223-332900
● Shakespeare and the Eighteenth Century: exhibition examining the interpretation of Shakespeare by visual artists in the 18th century. On display are drawings and prints by artists including Romney, Blake and Barry alongside portraits of actors, authors and composers associated with the playwright's work; from Apr 22 to Jun 29

CHICAGO

EXHIBITION
Art Institute of Chicago Tel: 1-312-4433600
● Charles Rennie Mackintosh: billed as the most comprehensive show of Mackintosh's work ever mounted, this exhibition features over 200 objects, including architectural drawings, room settings, furniture, decorative arts, models, watercolours and reconstructions of interiors; to Jun 22

THEATRE

Steppenwolf Studio Theatre Tel: 1-312-3351888
● A Streetcar Named Desire: by Tennessee Williams. Directed by Terry Kinney. The cast includes Rick Snyder, Kathryn Erbe and Laila Robins; from Apr 23 to Jun 15

COPENHAGEN

CONCERT
Det Kongelige Teater - The Royal Theatre Tel: 45-33 69 69 69
● Royal Danish Chamber Orchestra: performs works by Mozart, Elgar and Schoenberg; Apr 27

OPERA
Det Kongelige Teater - The Royal Theatre Tel: 45-33 69 69 69
● Arabella: by R. Strauss. Conducted by Dietrich Bernet, performed by the Royal Danish Opera. Soloists include Inger Dam-Jensen, Stephen Milling and Irma Møllergaard; Apr 25

DETROIT

EXHIBITION
The Detroit Institute of Arts Tel: 1-313-833-7963
● Images in Ivory: Precious Objects of the Gothic Age: exhibition featuring approximately 100 surviving examples of ivory carving. Offering a rare view of private life during the Gothic period

(13th- through 15th-century Europe), the display includes statuettes, mirrors, combs, and boxes decorated with romantic and religious themes; to May 11

DUBLIN

CONCERT
National Concert Hall Tel: 353-1-6711898
● National Symphony Orchestra of Ireland: with conductor Stefan Sanderling and cellist Steven Isserlis, performs works by Mozart, Dvorak and Brahms; Apr 25

EDINBURGH

CONCERT
Usher Hall Tel: 44-131-2281155
● Royal Scottish National Orchestra: with conductor Alexander Lazarev and cellist Raphael Wallfisch, performs works by Prokofiev and Shostakovich; Apr 25

FRANKFURT

ART & ANTIQUE FAIR
Messe Frankfurt Tel: 49-69-7576664
● Art Frankfurt 97: International art fair focusing on modern and contemporary art. Themes are Works on Paper, Photography, Video/New Media, Graphics/Multiples/Artist's Books, and Projects. Works on Paper introduces a new section to the fair and includes drawings, watercolours, gouaches, ink drawings, collages and three-dimensional works; from Apr 26 to May 1

CONCERT

Alte Oper Tel: 49-69-1340400
● Alfredo Perl: the pianist performs works by Beethoven, Bartok and Liszt; Apr 27

POP MUSIC

Festhalle Tel: 49-69-75750
● Bryan Adams: performance by the Canadian rock singer; Apr 23

HONG KONG

CONCERT
Concert Hall - City Hall Tel: 852-22921288
● Hong Kong Philharmonic Orchestra: with conductor David Atherton, baritone Hekan Hagegard and viola player Pak Ming, performs works by Brahms, Mahler, Hindemith and Schubert; Apr 25, 26

HOUSTON

EXHIBITION
The Menil Collection Tel: 1-713-525-9400
● Georges Braque: The Late Works: display of 45 paintings from the 1940s through to the early 1950s by one of Cubism's founding fathers, including a number of works from his "Billiard" and "Studio" series; from Apr 25 to Aug 31

LILLE

CONCERT
Opéra de Lille Tel: 33-20 06 88 04
● Thomas Hampson: performance by the baritone accompanied by the pianist Wolfram Rieger. The programme includes works by Loewe, Schubert, Grieg and Mahler; Apr 24

LISBON

CONCERT
Grande Auditório da Fundação Gulbenkian Tel: 351-1-7935131
● Barbara Bonney and Malcolm Martineau: the soprano and the pianist perform works by Fauré, Schumann, Britten and Wolf; Apr 22

LONDON

AUCTION
Christie's South Kensington Tel: 44-171-5817611
● Souvenirs of the Grand Tour: sale

featuring a number of works of art, sculpture and decorative objects inspired by Greek, Roman and Egyptian antiquity. Highlights include a gilt and polychrome painted wood model of the third (inner) tomb of King Tutankhamun and an Italian sculpted white marble bust of Caesar Augustus; Apr 23

CONCERT

Barbican Hall Tel: 44-171-6384141
● Royal Liverpool Philharmonic Orchestra: with conductor Libor Pešek and violin soloist Kurt Nikkanen. The programme includes works by Webern, Brahms and Beethoven; Apr 23
● London Symphony Orchestra: with conductor Sir Georg Solti and mezzo soprano Charlotte Hellekant performs works by Shostakovich and Mahler; Apr 26
Wigmore Hall Tel: 44-171-9352141
● Geraldine McGreevy: performance by the soprano, accompanied by pianist Christopher Gould. The programme includes works by Schumann, Strauss and Hugh Wood; Apr 25, 26, 27

EXHIBITION

National Gallery Tel: 44-171-7472885
● London's Monets: exhibition gathering together Monets in London's public and private collections and featuring 25 works by the artist; spanning his entire career, from "La Pointe de la Hève, Sainte-Adresse" (1864), to the series of large "Water Lilies" painted after 1916; to May 5

OPERA

Royal Opera House - Covent Garden Tel: 44-171-2129234
● L'Elisir d'Amore: by Donizetti. Conducted by Evelino Pido, performed by the Royal Opera. Soloists include Angela Gheorghiu, Deborah York and José Bros; Apr 22, 26

POP MUSIC

Royal Albert Hall Tel: 44-171-5898212
● Johnny Cash: performance by the American country and western singer; Apr 25

LOS ANGELES

EXHIBITION
MOCA at California Plaza Tel: 1-213-626-8222
● Ellsworth Kelly: A Retrospective: a complete survey of the artist's paintings and sculptures, spanning five decades of work, beginning in the late 1940s and including 80 paintings, 20 sculptures and 100 works on paper and photographs; to May 18

MUNICH

OPERA
Cuvillies-Theater - Altes Residenztheater Tel: 49-89-296836
● Il Trovatore: by Verdi. Conducted by Bertrand de Billy and performed by the Bayerische Staatsoper. Soloists include Julia Varady, Nina Terentjeva and Jennifer Trost; Apr 26

EXHIBITION

Kunststhal der Hypo-Kulturstiftung Tel: 49-89-227817
● Alberto Giacometti: exhibition of more than 150 works by the Swiss sculptor; to 29 Jun

NEW YORK

CONCERT
Alice Tully Hall Tel: 1-212-875-5050
● Emerson String Quartet: performs works by Beethoven, Janáček and Barber; Apr 23

EXHIBITION

MOMA - Museum of Modern Art Tel: 1-212-708-9400
● De Kooning in the Eighties: the paintings made during the 1980s by de Kooning constitute a largely unknown chapter in his career. This exhibition contains approximately 40 paintings made between 1981 and 1987, few of which have been seen by the general

other objects of interest; to Nov 2

ROME

CONCERT
Accademia Nazionale di Santa Cecilia Tel: 39-6-3611064
● Symphony No.9 In D major: by Mahler. Conducted by Daniele Gatti, performed by the Orchestra dell'Accademia di Santa Cecilia; Apr 27, 28, 29

OPERA

Teatro dell'Opera di Roma Tel: 39-6-481601
● Der Fliegende Holländer: by Wagner. Conducted by Jeffrey Tate, performed by the Opera di Roma. Soloists include Susan Anthony, José van Dam and James O'Neill; Apr 24, 27

SAN FRANCISCO

CONCERT
Louise M. Davies Symphony Hall Tel: 1-415-864-8000
● Requiem: by Verdi. Conducted by Donald Runnicles, performed by the San Francisco Symphony and San Francisco Symphony Chorus. Soloists include soprano Helen Bickers, mezzo-soprano Ewa Podlas, tenor Vincenzo La Scola and bass Roberto Scandiuzzi; Apr 24, 25, 26

SINGAPORE

ART & ANTIQUE FAIR
Singapore International Convention and Exhibition Centre
● Treasures 1997: the fifth Treasures fair features representatives from a number of international fine art and antique dealers, including the Galerie Tamenaga of Tokyo, Marlborough Fine Art, London and Galerie Odon Wagner of Canada; from Apr 24 to Apr 29

THE HAGUE

EXHIBITION
Mauritshuis Tel: 31-70-3023456
● Kunst op Vleugels: exhibition of Flemish, German and Dutch triptych works, including a piece by Dutch painter Gerard David ("Drieluik met de geboorte van Christus"), the three paintings that constitute the triptych being reunited for the first time since the 1830s; to Jun 22

THESSALONIKI

EXHIBITION
Thessaloniki Cultural Capital '97 Tel: 30-31-867860-6
● Joseph Beuys and Fluxus: the first exhibition of work by Beuys mounted in Greece, featuring drawings, plastic works, engravings, objects and installations by the German artist. Alongside this exhibition is another tracing the history of the avant-garde movement Fluxus, a revival of the Dada philosophies. The exhibitions take place at the Macedonian Museum of Contemporary Art; to Apr 30

TOKYO

CONCERT
Suntory Hall Tel: 81-3-35849999
● State Academy Symphony Orchestra of Russia: with conductor Evgeny Svetlanov and violinist Daishin Tachikawa perform works by Tchaikovsky; Apr 21

VALENCIA

EXHIBITION
IVAM Centre Julio Gonzalez Tel: 34-6-3863000
● Frederick Kiesler: retrospective exhibition devoted to the architect and artist Frederick Kiesler. The display gives an overview of his architectural designs and ideas and shows a selection of his paintings, sculptures, installations, stage designs and other works; to Apr 27

VENICE

EXHIBITION
Palazzo Grassi Tel: 39-41-5231680
● Dalle Fiandre a Paele Bassi l'antica storia dell'arte moderna: exhibition of Dutch and Belgian art of the 20th century, featuring 150 works by artists including van Gogh, Ensor, Magritte, Delvaux, van Dongen, Sluyters and Appel; to Jul 13

VIENNA

OPERA
Wiener Staatsoper Tel: 43-1-51442960
● Fidelio: by Beethoven. Conducted by Fisch. Soloists include Connell, Raimondi and Botha; Apr 23, 27

EXHIBITION
Kunsthaus Wien Tel: 43-1-7120495
● Schmidt-Rottluff: comprehensive exhibition of the work of the German Expressionist Karl Schmidt-Rottluff comprising around 180 works; includes paintings, drawings, watercolours, etchings, woodcuts and sculpture; to Aug 24

WASHINGTON

EXHIBITION
National Gallery of Art Tel: 1-202-7374215
● Alexander Calder: The Collection of Mr and Mrs Klaus G. Peris: exhibition of work by the American artist best known for his mobile works. In addition to 15 sculptures, the display includes works on paper and jewellery; to May 26

ZURICH

CONCERT
Tonhalle Tel: 41-1-2063434
● NHK Orchester Tokyo: with conductor Charles Dutoit and violinist Kyoko Takesawa; works by Wagner, Mendelssohn and Prokofiev; Apr 27

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Weekend Investor

London

Marking time to the general election

Ross Tieman finds tension is building in the City as dealers and investors begin to watch the campaign

Just 12 days to the election – and an irritable tension is building in City dealing rooms. Market strategists draw up post-election scenarios, check the opinion polls and depart early. The phoney war is getting on everyone's nerves.

Since the prime minister, John Major, finally named May 1 as the election date more than three weeks ago, trading on the London stock market has been lighter, and sporadic.

Pension funds, the biggest buyers of shares, have sold more than they have bought. Insurers have continued to buy, but very selectively.

In the early days of the campaign, brokers and buyers were distracted from domestic politics by uncertainty over the scale and timing of the quarter-point US interest rate increase carried through on March 25. Since then, the London market has effectively decoupled from Wall Street. It has decoupled from the domestic

economy. It has decoupled – period.

Just look at its performance over the past week. By noon yesterday, the Dow Jones Industrial Average had risen more than 300 points. The FTSE 100 index, meantime, had added little more than 20.

Domestic economic news has not created much of a stir, either. Government figures on Thursday showed underlying annual inflation fell from 2.9 to 2.7 per cent in March.

One might have thought this would ease worries about the prospect of the UK economy overheating, but the FTSE 100 index added only 4.3 points on the day.

In the absence of a rally in the US bond market, triggering a strong lead from Wall Street, the election is now the biggest event on the London horizon.

Investors and dealers are starting to watch the cam-

paign more closely. Boredom has been replaced by fascination, especially since Major has shifted his election strategy in response to divisions that resurfaced within his party regarding policies towards Europe.

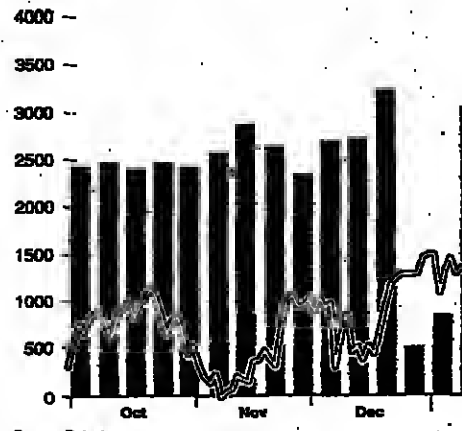
Some strategists now even go so far as to suggest that the market would rally on a Labour victory.

According to Ian Scott, strategist at Lehman Brothers: "It is about the removal of uncertainty. A larger majority would be better news for the market. And institutions do appear to be underweight in the UK."

On the other hand, a convincing Conservative victory would also trigger a rally. Indeed, if the Conservatives did win, strategists say the pick-up would be even greater because a sizeable dose of Labour medicine is already priced into shares. Labour "negatives" for investors are essentially three-fold. According to Mark Tinker, of UBS, these centre upon the possibility

Pre-election blues

FTSE 350: Total weekly volume of shares traded (000s)



of a change in the way dividends are taxed; the imposition of a 25bn windfall tax on utilities; and the prospect of tighter regulation of businesses, particularly on environmental matters.

Several brokers are expected to stay open all night on May 1 to cater for insomniac

clients determined to tailor their portfolios instantly to the outcome.

The biggest call on their services could come in the event of an unexpected Conservative victory. For the detail, and cost, of Labour policies might not become clear for months.

FTSE 350 Index



If Labour wins, Gordon Brown, now the shadow chancellor, is expected to schedule a mini-budget on or around June 10. This is where the windfall tax, to finance a "welfare to work" programme, would probably be announced. This could also be the occasion

for any move on the taxation of dividends.

In March 1993 when Norman Lamont, then the chancellor, unexpectedly cut tax relief on dividends from 25 to 20 per cent, the market fell 1 per cent. By the end of April it was off 4 per cent – but then, so were other European markets.

For the market, the most significant post-election move would be higher interest rates. A rise in base rates of 0.5 per cent is factored into gilt yields and share prices already.

By the year-end, brokers say, rates could be up as much as 1 per cent.

Judging the level of interest rates required to quell any inflationary tendencies in the UK economy will be tricky, no matter who wins. The rise in sterling has tended to subside these since the autumn.

Over the next few months, however, consumers will receive a £22bn windfall from shares in building societies and other mutual

organisations converting into quoted companies.

Many are expected to blow the proceeds on holidays, home furnishings, and other consumer luxuries.

And analysts say the swirl of funds into and out of the public's pockets will create so much "noise" in government economic data that it will be extremely tough to judge the underlying economic trends.

These uncertainties – over the election, economic growth, inflation, interest rates and, of course, sterling – occur at what has become a quiet time for the market. So many companies now use a December year-end that the months of April and May have become the annual general meeting season, with little more than trading statements to kindle the interest of investors.

"Most investors believe that Labour is going to be the government," says Tinker. "This is like February and March used to be in the days of a March Budget."

Highlights of the week

	Price	Change	52 week	52 week	
	Friday		High	Low	
FTSE 100 Index	4310.5	+38.9	4444.3	3812.6	Wall Street rally
BAT Industries	531	+20	572	411	Favourable US regulation news
Bovis Lend Lease	760	+17 1/2	822 1/2	386 1/2	Well received figures
Brown (N)	411 1/2	+22	452 1/2	286	Sharp profit rise
CAMAS	96	+14 1/2	97	64	Bardon merger
Cobham	668 1/2	+47 1/2	673 1/2	466	Better than expected figures
Cortec Int'l	275 1/2	+43	447	149 1/2	Good trial results expected
Courtauld Textiles	288 1/2	+16 1/2	423	213	SBC Warburg recommends
JJB Sports	402 1/2	+32 1/2	466	190	Improved figures
ML Laboratories	197 1/2	+20	451	176 1/2	Press tips
Next	645	+13 1/2	651 1/2	451	Environment favours retailers
Racal Electronics	243 1/2	+41 1/2	348	220	Profits warning
Seymour Tipton	747 1/2	+13 1/2	757 1/2	516	Broker recommends
Spirax-Sarco	732 1/2	+30	786 1/2	593	Squeeze, vague bid talk
Zentec	1834	-17	1930	1234	Roche bid talk dies

Wall Street

The dead cat that bounced back

John Authers reflects on a week when the Dow soared and no one got excited

Wall Street is not a place for cat-lovers just now. On Tuesday, the Dow Jones Industrial Average impressed the statisticians by registering its biggest daily gain of the 1990s in points terms. Only once, on the Wednesday following the Black Monday crash of October 1987, had the index gained more points in a day.

This did not cause much excitement, though. The gains were restricted to the

largest blue-chip companies and the Nasdaq composite index, covering smaller companies and the high-tech sector, was actually down for the day. Some dismissed it, using cruel market jargon, as a "dead cat bounce".

This particular dead cat had more life than most, though, with the market gaining 288 points, or about 4.5 per cent, in the first three days of the week. In the process, it kept the Dow from recording a 10 per cent drop from its high, something it has not seen since Iraq's invasion of Kuwait in 1990. But the rally still meant it was barely back to its level of the week before, which had ended with a Friday fall of 143.36 points.

Gains were made on small volumes of shares and seemed attributable chiefly to big, computer-driven trades which exert disproportionate influence when there is confusion over the market's overall direction.

Corporate earnings results generally were comfortably ahead of expectation – spectacularly so in the case of Microsoft, the world's largest software company. On Thursday, it announced an 85 per cent year-on-year increase in its profits, far ahead of what analysts expected.

Other news, including speculation that tobacco companies could reach a settlement with their critics in the health lobby, also gave support to individual stocks. It is difficult, however, to read much that is fundamental into the latest fluctuations. If it is possible to fit any pattern on to the behaviour of stocks, you might say they fit with the views of some of the more optimistic analysts – notably the increasingly influential Abby Joseph Cohen, of Goldman Sachs – that the market has entered a "trading range" after its two-year bull run.

In her latest conference call to investors, she likened last month's rise in interest rates by the Federal Reserve to a "flu shot" which makes the patient yell "ouch" but averts the full-blown symptoms. And she suggested the market was now back to normality after two years of being abnormal.

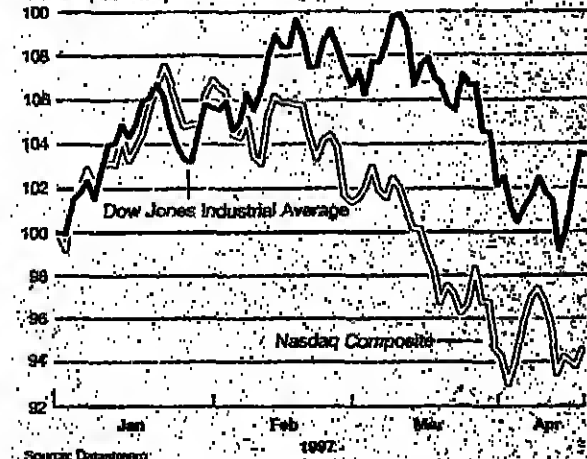
If that is correct, then it is groping towards normality rather awkwardly. Still, the analogy seems to make sense.

The return to normality could also engineer a drastic change to the face of the fund industry. For the past six months, index funds, which merely attempt to match the index rather than beat it, have been flavour of the month.

Proof they had caught on with investors came earlier this week when Fidelity, the world's largest mutual fund

Back to square one

Indices (rebased)



For this reason, companies which do not specialise in index-tracker tend to dismiss their popularity as a phenomenon of the late bull market. When the index has accelerated for two years, they argue, returns from index funds are bound to look good to inexperienced investors.

Vanguard also seems nervous about this, and has doused investors' expectations in recent weeks, publishing leaflets explaining the risk of bear markets and pointing out that index funds cannot be called "conservative investments".

The evidence is that there are plenty of inexperienced investors out there. San Francisco-based Montgomery Asset Management last month asked mutual fund investors what average annual return they were expecting over the next 10 years. The answer was a staggering 21 per cent.

If this is true as a gauge of expectations, it seems safe to predict that the industry will have some distinctly disappointed customers to deal with a decade from now.

Common myths about Offshore Banking

No 3

"It's only for millionaires"

In fact all you need to open an offshore bank account is £1. For this small sum you can take advantage of the many benefits offshore banking provides. For example, by simply moving your UK savings and investments to an offshore bank while you are living overseas, you can minimise your UK tax bill.

To help you see if you could benefit from this, try answering the following questions:

1. Will you be overseas for a full UK tax year? YES ☐ NO ☐
2. Do you have savings in the UK? YES ☐ NO ☐
3. Do you have property in the UK? YES ☐ NO ☐
4. Do you have any investments in the UK? YES ☐ NO ☐

If you ticked 'yes' to the first question and one other, there's a good chance you may have a tax liability you could legally reduce by banking offshore. This is just one of the benefits. You will also receive income from your savings and investments without the deduction of tax and you will not normally have to pay capital gains tax on investments held offshore. Midland Offshore can advise you on your finances to ensure you are getting the most from these and the other benefits available.

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Dow Jones Ind Average

Monday	6,451.90 + 80.21
Tuesday	6,587.16 + 135.26
Wednesday	6,679.87 + 92.71
Thursday	6,858.60 + 178.73
Friday	

WEEKEND INVESTOR

Last week's preliminary results

Company	Year	Pre-tax profit (£000)	Earnings per share (p)	Dividends per share (p)
Adrian Lanes	Dist Sep	57 (2,170 L)	-	-
Adrian Lanes	Dist Dec	1,760 L (1,760 L)	-	-
Adrian Lanes	Dist Dec	5,100 L (5,100 L)	-	-
Adrian Lanes	Dist Dec	3,650 (1,680)	2.5 (1.1)	1.2 (1.0)
Adrian Lanes	Dist Dec	4,550 (4,000)	4.3 (3.8)	1.2 (0.7)
Adrian Lanes	Dist Dec	705 (228)	4.3 (1.7)	-
Adrian Lanes	Dist Dec	3,040 (2,750)	10.56 (10.73)	6.025 (-)
Adrian Lanes	Dist Dec	1,228 (776)	3.5 (2.94)	2.3 (2.0)
Adrian Lanes	Dist Dec	2,710 L (581 L)	-	0.01 (0.01)
Adrian Lanes	Dist Dec	27,000 (18,000)	30.2 (19.7)	7.4 (6.5)
Adrian Lanes	Dist Dec	7,700 (6,170)	27.2 (20.3)	9.34 (7.0)
Adrian Lanes	Dist Dec	3,380 (3,350)	25.1 (23.8)	8.0 (7.5)
Adrian Lanes	Dist Dec	183 L (229 L)	0.5 (-)	0.2 (0.2)
Adrian Lanes	Dist Dec	148 (3,380 L)	0.5 (-)	0.2 (0.2)
Adrian Lanes	Dist Dec	1,200 L (740)	0.5 (-)	0.2 (0.2)
Adrian Lanes	Dist Dec	37,100 (34,200)	17.7 (14.4)	5.8 (5.8)
Adrian Lanes	Dist Dec	730 (465)	5.77 (3.02)	1.225 (1.1125)
Adrian Lanes	Dist Dec	515 (760)	6.89 (2.73)	-
Adrian Lanes	Dist Dec	276 (286)	40.5 (52.1)	6.0 (5.0)
Adrian Lanes	Dist Dec	4,700 (2,800)	32.5 (26.2)	11.3 (9.8)
Adrian Lanes	Dist Dec	831 (213)	1.6 (0.92)	0.5 (0.2)
Adrian Lanes	Dist Dec	3,620 (3,110)	12.4 (10.1)	4.5 (4.0)
Adrian Lanes	Dist Dec	941 (894)	3.81 (3.59)	1.6 (1.5)
Adrian Lanes	Dist Dec	4,650 (3,650)	22.38 (17.63)	7.7 (6.2)
Adrian Lanes	Dist Dec	539 (698)	3.6 (5.8)	0.5 (-)
Adrian Lanes	Dist Dec	-	-	22.54 (21.8)
Adrian Lanes	Dist Dec	-	-	11.44 (10.5)
Adrian Lanes	Dist Dec	639 (3,210)	0.6 (0.5)	0.57 (0.58)
Adrian Lanes	Dist Dec	12,800 (3,620)	6.6 (-)	3.65 (3.15)
Adrian Lanes	Dist Dec	3,370 (362 L)	7.5 (-)	-
Adrian Lanes	Dist Dec	3,300 (3,310)	11.6 (12.5)	1.0 (-)
Adrian Lanes	Dist Dec	101.5 (-)	3.4 (-)	3.2 (-)
Adrian Lanes	Dist Dec	3,050 (3,000)	13.6 (11.8)	4.08 (4.24)
Adrian Lanes	Dist Dec	5,000 (5,280)	14.8 (13.5)	4.3 (3.8)
Adrian Lanes	Dist Dec	4,400 (2,870)	2.98 (1.57)	0.85 (0.5)
Adrian Lanes	Dist Dec	65.23 (68.23)	7.64 (8.31)	7.8 (7.8)
Adrian Lanes	Dist Dec	39,400 (14,300)	-	5.5 (5.5)
Adrian Lanes	Dist Dec	1,300 (1,070)	3.31 (2.88)	0.8 (0.8)
Adrian Lanes	Dist Dec	1,300 L (252)	-	-
Adrian Lanes	Dist Dec	6,020 (4,610)	12.5 (9.28)	4.45 (4.3)
Adrian Lanes	Dist Dec	20,300 (15,400)	14.6 (10.2)	4.5 (2.52)
Adrian Lanes	Dist Dec	1,210 (650)	8.3 (2.58)	2.25 (1.75)
Adrian Lanes	Dist Dec	1,310 (1,110)	3.9 (3.3)	2.1 (2.0)
Adrian Lanes	Dist Dec	1,140 (850)	8.1 (7.3)	3.0 (2.25)
Adrian Lanes	Dist Dec	302 (222 L)	0.8 (-)	-
Adrian Lanes	Dist Dec	1,300 (760)	14.3 (7.3)	-
Adrian Lanes	Dist Dec	110,700 L (-)	-	2.25 (-)
Adrian Lanes	Dist Dec	97.57 (75.33)	0.33 (0.21)	0.33 (0.25)
Adrian Lanes	Dist Dec	3,720 (880)	4.8 (-)	0.48 (-)
Adrian Lanes	Dist Dec	59 (670)	-	0.5 (0.75)
Adrian Lanes	Dist Dec	408.0 (378.0)	1.55 (1.54)	-
Adrian Lanes	Dist Dec	551 (748)	7.77 (1.27)	0.5 (0.4)
Adrian Lanes	Dist Dec	33,200 L (1,300 L)	-	-
Adrian Lanes	Dist Dec	37.2 (-)	2.8 (-)	2.8 (-)
Adrian Lanes	Dist Dec	1,760 (1,560)	8.1 (8.1)	4.0 (4.0)
Adrian Lanes	Dist Dec	1,500 (4,020)	7.5 (12.8)	3.3 (3.25)
Adrian Lanes	Dist Dec	223 (7,590 L)	0.1 (-)	-
Adrian Lanes	Dist Dec	3,700 (2,270)	8.1 (-)	1.2 (0.41)
Adrian Lanes	Dist Dec	482 (140 L)	7.22 (-)	-
Adrian Lanes	Dist Dec	4,140 (3,510)	4.52 (4.2)	1.3 (1.15)
Adrian Lanes	Dist Dec	882 (-)	5.5 (-)	-
Adrian Lanes	Dist Dec	532 (547)	5.7 (5.8)	4.2 (4.2)
Adrian Lanes	Dist Dec	190.3 (160.4)	4.25 (5.08)	3.8 (3.68)
Adrian Lanes	Dist Dec	3,790 (7,330)	10.73 (8.87)	3.35 (2.78)
Adrian Lanes	Dist Dec	214 L (265)	-	(11.44)
Adrian Lanes	Dist Dec	237 (143)	1.01 (0.81)	0.5125 (0.4)
Adrian Lanes	Dist Dec	19,000 (19,000)	6.3 (8.48)	3.24 (3.1)
Adrian Lanes	Dist Dec	653 (50 L)	2.3 (-)	0.8 (-)
Adrian Lanes	Dist Dec	10,700 (11,200)	29.1 (31.7)	16.2 (15.2)

Last week's interim results

Company	Year	Pre-tax profit (£000)	Interim dividends per share (p)
Adrian Lanes	Dist Dec	1,440 (1,570)	2.25 (2.25)
Adrian Lanes	Dist Dec	220 (110)	-
Adrian Lanes	Dist Dec	377.5 (-)	2.25 (2.1)
Adrian Lanes	Dist Dec	2,300 (1,430)	1.0 (-)
Adrian Lanes	Dist Dec	19,100 (18,000 L)	1.85 (1.85)
Adrian Lanes	Dist Dec	201,000 (198,000)	4.25 (4.25)
Adrian Lanes	Dist Dec	24 (1,330 L)	-
Adrian Lanes	Dist Dec	98.06 (94.31)	1.625 (0.9375)
Adrian Lanes	Dist Dec	2,270 L (-)	-
Adrian Lanes	Dist Dec	9,700 (25,000 L)	-
Adrian Lanes	Dist Dec	3,310 L (2,810 L)	1.0 (1.0)
Adrian Lanes	Dist Dec	108 (133)	-
Adrian Lanes	Dist Dec	148.05 (135.42)	-
Adrian Lanes	Dist Dec	144.8 (141.8)	2.25 (2.1)
Adrian Lanes	Dist Dec	112.05 (-)	2.1 (2.0)
Adrian Lanes	Dist Dec	271.2 (-)	2.9 (2.75)
Adrian Lanes	Dist Dec	92.88 (-)	1.0 (0.78)
Adrian Lanes	Dist Dec	2 (402)	-
Adrian Lanes	Dist Dec	186.1 (-)	-
Adrian Lanes	Dist Dec	-	1.37 (1.23)
Adrian Lanes	Dist Dec	4,620 (4,820)	6.5 (6.0)
Adrian Lanes	Dist Dec	301 (259)	-

(Figures in parentheses are for the corresponding period). Dividends are shown net of tax. Figures are shown where otherwise indicated. * Last year's dividend. † Net asset value per share. ‡ Interim dividends. § 3-month figures. ¶ 6-month figures. ** 9-month figures. *** 12-month figures. **** Pro forma.

Results due next week

Company	Year	Pre-tax profit (£000)	Interim dividends per share (p)
Adrian Lanes	Dist Dec	1,440 (1,570)	2.25 (2.25)
Adrian Lanes	Dist Dec	220 (110)	-
Adrian Lanes	Dist Dec	377.5 (-)	2.25 (2.1)
Adrian Lanes	Dist Dec	2,300 (1,430)	1.0 (-)
Adrian Lanes	Dist Dec	19,100 (18,000 L)	1.85 (1.85)
Adrian Lanes	Dist Dec	201,000 (198,000)	4.25 (4.25)
Adrian Lanes	Dist Dec	24 (1,330 L)	-
Adrian Lanes	Dist Dec	98.06 (94.31)	1.625 (0.9375)
Adrian Lanes	Dist Dec	2,270 L (-)	-
Adrian Lanes	Dist Dec	9,700 (25,000 L)	-
Adrian Lanes	Dist Dec	3,310 L (2,810 L)	1.0 (1.0)
Adrian Lanes	Dist Dec	108 (133)	-
Adrian Lanes	Dist Dec	148.05 (135.42)	-
Adrian Lanes	Dist Dec	144.8 (141.8)	2.25 (2.1)
Adrian Lanes	Dist Dec	112.05 (-)	2.1 (2.0)
Adrian Lanes	Dist Dec	271.2 (-)	2.9 (2.75)
Adrian Lanes	Dist Dec	92.88 (-)	1.0 (0.78)
Adrian Lanes	Dist Dec	2 (402)	-
Adrian Lanes	Dist Dec	186.1 (-)	-
Adrian Lanes	Dist Dec	-	1.37 (1.23)
Adrian Lanes	Dist Dec	4,620 (4,820)	6.5 (6.0)
Adrian Lanes	Dist Dec	301 (259)	-

* Dividends are shown net of tax. Figures are shown where otherwise indicated. † Net asset value per share. ‡ Interim dividends. § 3-month figures. ¶ 6-month figures. ** 9-month figures. *** 12-month figures. **** Pro forma.

Directors' share dealings

Transactions in own companies:
April 7-11 1997

Company	Year	Pre-tax profit (£000)	Interim dividends per share (p)
Adrian Lanes	Dist Dec	1,440 (1,570)	2.25 (2.25)
Adrian Lanes	Dist Dec	220 (110)	-
Adrian Lanes	Dist Dec	377.5 (-)	2.25 (2.1)
Adrian Lanes	Dist Dec	2,300 (1,430)	1.0 (-)
Adrian Lanes	Dist Dec	19,100 (18,000 L)	1.85 (1.85)
Adrian Lanes	Dist Dec	201,000 (198,000)	4.25 (4.25)
Adrian Lanes	Dist Dec	24 (1,330 L)	-
Adrian Lanes	Dist Dec	98.06 (94.31)	1.625 (0.9375)
Adrian Lanes	Dist Dec	2,270 L (-)	-
Adrian Lanes	Dist Dec	9,700 (25,000 L)	-
Adrian Lanes	Dist Dec	3,310 L (2,810 L)	1.0 (1.0)
Adrian Lanes	Dist Dec	108 (133)	-
Adrian Lanes	Dist Dec	148.05 (135.42)	-
Adrian Lanes	Dist Dec	144.8 (141.8)	2.25 (2.1)
Adrian Lanes	Dist Dec	112.05 (-)	2.1 (2.0)
Adrian Lanes	Dist Dec	271.2 (-)	2.9 (2.75)
Adrian Lanes	Dist Dec	92.88 (-)	1.0 (0.78)
Adrian Lanes	Dist Dec	2 (402)	-
Adrian Lanes	Dist Dec	186.1 (-)	-
Adrian Lanes	Dist Dec	-	1.37 (1.23)
Adrian Lanes	Dist Dec	4,620 (4,820)	6.5 (6.0)
Adrian Lanes	Dist Dec	301 (259)	-

Current takeover bids and mergers

Company	Year	Pre-tax profit (£000)	Interim dividends per share (p)
Adrian Lanes	Dist Dec	1,440 (1,570)	2.25 (2.25)
Adrian Lanes	Dist Dec	220 (110)	-
Adrian Lanes	Dist Dec	377.5 (-)	2.25 (2.1)
Adrian Lanes	Dist Dec	2,300 (1,430)	1.0 (-)
Adrian Lanes	Dist Dec	19,100 (18,000 L)	1.85 (1.85)
Adrian Lanes	Dist Dec	201,000 (198,000)	4.25 (4.25)
Adrian Lanes	Dist Dec	24 (1,330 L)	-
Adrian Lanes	Dist Dec	98.06 (94.31)	1.625 (0.9375)
Adrian Lanes	Dist Dec	2,270 L (-)	-
Adrian Lanes	Dist Dec	9,700 (25,000 L)	-
Adrian Lanes	Dist Dec	3,310 L (2,810 L)	1.0 (1.0)
Adrian Lanes	Dist Dec	108 (133)	-
Adrian Lanes	Dist Dec	148.05 (135.42)	-
Adrian Lanes	Dist Dec	144.8 (141.8)	2.25 (2.1)
Adrian Lanes	Dist Dec	112.05 (-)	2.1 (2.0)
Adrian Lanes	Dist Dec	271.2 (-)	2.9 (2.75)
Adrian Lanes	Dist Dec	92.88 (-)	1.0 (0.78)
Adrian Lanes	Dist Dec	2 (402)	-
Adrian Lanes	Dist Dec	186.1 (-)	-
Adrian Lanes	Dist Dec	-	1.37 (1.23)
Adrian Lanes	Dist Dec	4,620 (4,820)	6.5 (6.0)
Adrian Lanes	Dist Dec	301 (259)	-

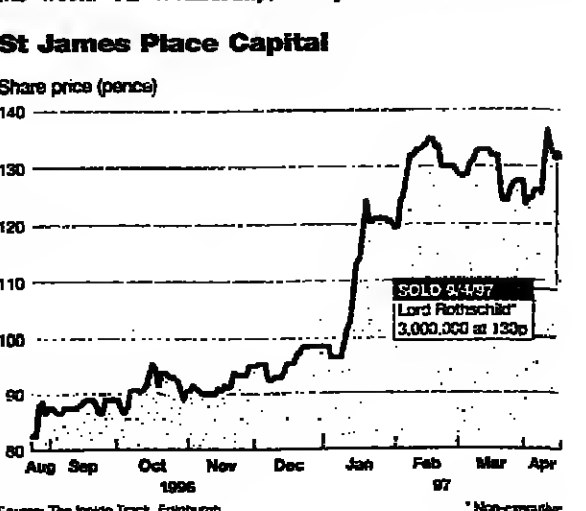
Prices in pence unless otherwise indicated. * All cash offer. † For capital not already held. ‡ Unconditional. § Based on last-minute prices 18/4/97. ¶ \$5 shares and cash. ** Merging with Mercury Group, Bell CableMedia & Videotext to form Cable & Wireless Communications. *** Full value of merger £4.50bn. **** Values denoted in Irish currency.

Bids / deals
Builders seal merger

Camas and Bardon, the building materials companies, on Tuesday sealed their long-awaited merger to create the UK's fifth largest aggregates producer with a market value of £558m at last night's close, write *Jane Martinson and Chris Gresser*.

Under the terms of the merger, Camas shareholders will receive two new Bardon shares for each Camas share and will end up with nearly 52 per cent of the enlarged equity. The new group, to be called Aggregate Industries, will be chaired by Camas chairman Maurice Warren. Its chief executive will be Peter Tom, chief executive of Bardon.

The property sector was busy on the acquisition front this week. On Wednesday, St James Place Capital



Source: The Inside Track, Edinburgh. * Non-executive



Barry Riley

Reaping Tory dividends

A virtuous circle exists. Would Labour unravel it?

There has been a long and remarkable bull market in UK equities during the four back-to-back terms of the Conservative government - which is, according to all the opinion polls, within two weeks of rejection by UK voters. Since May 1979, the All-Share index has risen by an average of 12 per cent a year, or about 5.5 per cent in real terms. Just as important, dividends have grown on average by 10 per cent annually for 18 years.

Because occupational pension schemes in the UK are valued largely on the basis of investment income, this cascade of dividends has introduced an unprecedented period of pension fund prosperity. With surpluses proving persistent, under half of private sector schemes are receiving full "normal" contributions from the sponsoring employers, and many are paying nothing at all.

The annual real capital gain on equities during the 1951-64 period of Tory rule was almost as good, at 4 per cent. But stock market experience under Labour governments has been much less favourable: dividend freezes and squeezes have been common.

During the 1945-51 Attlee government, the capital markets largely were dormant, and share prices fell by roughly 5 per cent a year in real terms. The Wilson government of 1964-70 achieved minus 6 per cent annually, the 1974-79 regime minus 2 per cent. We must not draw

simplistic conclusions. Stock markets elsewhere - in the US, for instance - struggled in the late 1970s. The Heath Tory government of 1970-74 inflicted annualised real share price losses on investors of 3 per cent.

Certain Old Labour prejudices remain intact, though. Dividends are wasteful and should be discouraged. Capital investment, especially in manufacturing, is a good thing in its own right. The 1997 Labour manifesto wants the company and capital gains tax regimes "to promote greater

Foreigners are beginning to understand why the Brits fled industry and went into the City

long-term investment". More investment will increase the economic growth rate, it is assumed - even though, in the 1960s and 1970s, the result often was wealth-destroying aluminium smelters and steel mills.

The Conservatives, in contrast, have thrown exporters to the four winds through repeated sterling over-valuations - in 1980, 1990, and again in 1997. They have lured in foreign manufacturers to fill the gaps left by the natives.

Now, with the pound at DM2.50, and the single European currency slipping down the electoral plughole, those foreigners are beginning to understand why the Brits fled industry and went into the City of London instead.

Under Labour, the manufacturing lobby would

expect to stand a much better chance. The irony, though, is that the corporate sector appears to be in danger of a sizeable tax hit from an incoming Labour regime.

Those dividends, after all, have been soaring, but capital investment has been sluggish. Is there a causal link? Tim Congdon says, in the latest *Lombard Street Research Monthly Review*, that there is no historical correlation between rises in profit retention and increases in capital spending. Cash is not the limiting factor.

Moreover, the 8.6 per cent

Revenue's take at the expense, mostly, of pension funds.

Halving the rate of ACT relief would cost tax-exempt investors about £2bn annually. It might seem to shadow chancellor Gordon Brown, as it did to Lamont, a victimless mugging. But it would cut scheme surpluses and cause companies to restore or raise contributions, on which they would claim tax relief. The net revenue gain might disappear.

The details are a matter of speculation, of course. But the point is that if lean times for the equity market do indeed lie ahead under a New Labour government, the disappointments are likely to be caused by an unravelling of the virtuous circle of dividend growth and pension surpluses, rather than by a return to the Old Labour stamping ground of direct price and dividend controls and high personal taxes.

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The markets continued their steady recovery this week, but it remains tentative while Wall Street trends water.

The balance of directors' share dealings is still very much tipped towards selling, but almost the entire board of Dewhurst, the clothing manufacturer, bought

shares following good results.

Nine directors, including all the senior members, bought 92,609 shares at 174-177p each.

On the sales front Lord Rothschild, a non-executive director of St James's Place Capital, sold 3m shares at 130p each.

FT WEEKEND

Last week, swayed by tempting television offers, I ordered two CDs: a boxed collection of choral classics, and Velvet Vivaldi, a selection of excerpts from the composer's more romantic works performed by the London Special Symphony Orchestra – the conductor was unknown to me, but the tunes were familiar enough and the advertiser had skilfully identified my music needs.

A couple of months ago, I rang a TV shopping channel, which is end-to-end advertisements, and bought a machine called Absolute Abs, which promised a firm stomach with not too much effort. I have always been a little unsure about the precise location of my abdomen, but knew I was getting soft around the centre.

From a separate satellite network, I've purchased a set of laminated swap cards of Edwardian novelists, a nest of plastic containers which helped bring order to the fridge, and a six-pack of hair mousse that gives styling stability without the harsh crunchiness of conventional mousse.

For a friend keen on golf, I bought Chip & Return, a variation on the old concept of a tennis ball tied with elastic to a brick. I had imagined that a golf ball would be a dangerous projectile on the rebound, but the manufacturer has developed an elastic material capable of bringing the ball to a safe stop. "From the bunker to the backyard," is the boast.

By nature, I am an uneasy shopper, with a department store attention span of around eight minutes. Yet, at home, I can watch spiel after spiel, channel surfing to catch a once-only offer after watching a unique buying opportunity on another station. And there is the ease of it all; cite a serial code and credit card details, and you have an

imitation leather wallet containing limited-edition stamps of fauna on St Helena.

The most interesting viewing is after midnight, when vending channels seem to experiment with items a little out of the ordinary. My first purchase was a Conversation Starter Kit, which I thought was worth the £29.95 because there definitely are days when I have difficulty forming coherent sentences.

I had presumed that words faltered because of a lack of confidence or concentration, though some friends blame their stumbling on bad hiccups. The kit claims to cope with any and every cause. It contains three small ceramic clips, much like alligator clips, which are attached to the end of the tongue and each ear lobe for six

minutes. I'm not sure exactly how it works, but you have a tingling sensation that tells of a gentle current passing through your

The machine, The Mind Expander, looks like a bicycle helmet

head. The problem has not been permanently solved, but you are articulate for about 40 minutes, which is generally all you need to get started most days. Before

public speaking engagements or board meetings, I give myself a full 10 minutes of treatment and find an easy eloquence.

I was less optimistic about the efficacy of a gadget advertised very early one Tuesday morning. The inventor was brought on to explain how he was inspired by concerns that his mind was too logical, lacking creativity because the right side of his brain was less developed than the left.

It was interesting to watch the saleswoman then grab hold of a complex, if unoriginal, theory and turn it into a simple sales pitch.

"Think," she said, "about the amount of money you spend on moisturisers and after-shave. Now, think for just a moment about your brain." A few

seconds of silence and stillness did prompt reflection on relative neglect.

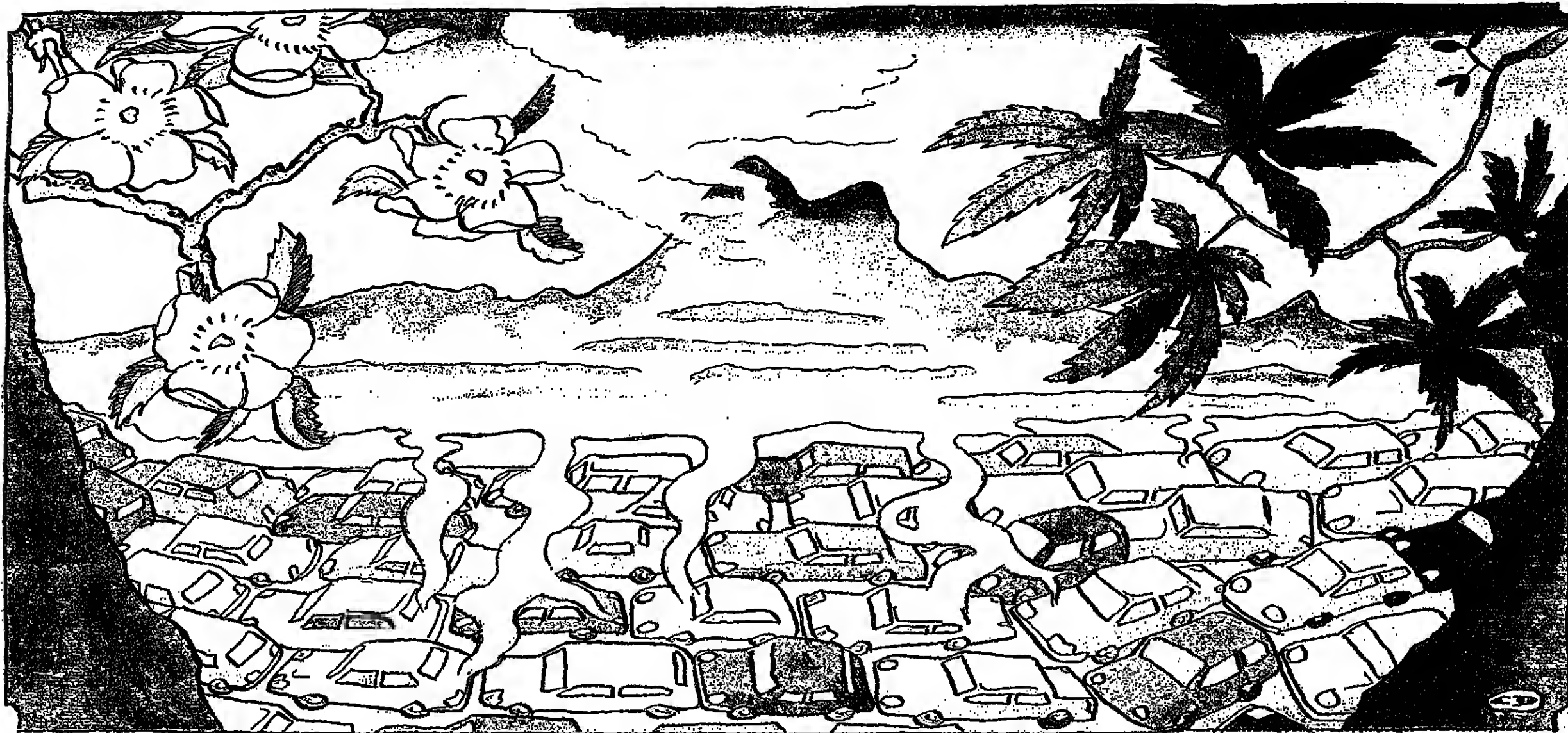
The machine, the Mind Expander, looks like a bicycle helmet, but, on the inside, has soft plastic suction cups that attach to your skull. There is a small switch at the back that sends pulses in varying patterns through the cups, positioned on each of the main cranial pressure points.

At £79.99, the price was steep for something the positive results of which, if any, would be extremely difficult to measure. But I thought guiltily about ornate bottles of duty-free after-shave, and rang in. It was delivered four days later in an anonymous brown box with a small instruction booklet. You should use the machine

for about an hour a day, three times a week, but you can't read or watch television or talk at the same time.

I had a slight headache after the first hour and there was no discernible impact. Three weeks later, I did perceive that my thoughts were a little more lateral, and after two months, for the first time in my life, I began to take a genuine interest in poetry. I'm still on straightforward sonnets, though the very strict rules of rhyme are beginning to grate.

Last night, I lashed out again on clever contraptions. I prefer to keep the butter on the kitchen table, but that can be messy at the height of summer. A Butter Bonnet (£13.95) works like a car fridge, but has the transparency of a conventional butter holder. And a Rotaframe (£15.99) appears to be an imitation silver frame, but rotates the photographs on display, much like the moving hoardings at a football stadium. It holds 31 photos, so you can have a different snapshot on the mantelpiece each day for a month.



Metropolis

It was a beautiful day for a clam bake

But that was before Michiyo Nakamoto and the rest of Tokyo's inhabitants decided to drive to the beach

Initially the idea did not seem irrational. It was an early summer morning, the peak of the clam season, so we decided to take the boys to Yokohama Beach Park. Just an hour or so away. They could sink their feet into the cool, wet sand and enjoy themselves digging for clams.

What we had forgotten was that anything that seems like a good idea on a hot summer day is bound also to occur to some of the 30m people living in the cramped, stifling conditions of the Tokyo metropolis.

Spirits were, as they say, high. But soon the carefree mood in the car changed as we listened to a voice on the radio describing the accumulating chaos on the highway. Like many things in Japan, radio traffic reports are usually reliable.

These reports have a sophistication unusual in other countries. Their lexicon is familiar to

every Japanese motorist, who is aware that at any time of the year, whatever the excuse – going home to the country at new year, driving to see the cherry blossoms in March or the leaves in autumn – the great Tokyo exodus must be overcome.

But the Japanese instinct to do everything en masse is such that the media make sure everyone knows the very day when they should do what. Reports on where the cherry trees are blossoming ("the front" as it is called) are compiled several times a day along with the relative length of accompanying traffic queues.

The job of traffic forecasting has therefore become something of an art, if not a science. During the peak holiday season, when a mass movement is inevitable, drivers can be sure there will be forecasts of the times when most cars will be leaving the city and when they will be heading back.

At the end of the year comes the national "U-turn", when those Japanese who have not travelled abroad will be heading back to their home villages in the country to celebrate the new year. Tailbacks of 70km are common then, some extending to 90km – even 100km.

On the day of the clam expedition, the forecasts were as reliable as ever. The lively female voice recited the length of the traffic queues that had formed along each stretch of arterial road, until it came to the very highway we were on. The double-digit figure for that one we were about to join made us miserable.

Everything was about to stagnate in the bumper-to-bumper traffic. Even the trusty air conditioner seemed to spew out cold but dead air.

The tape was playing a familiar childhood song and the children were moving about restlessly in

the back seat, when everything came to a halt.

Somewhere, way beyond where my eyes could see, across the hills of Yokohama's suburbs and past the tourist signposts for flamingo parks and caving sea

Like many things in Japan, radio traffic reports are usually reliable

lions, the simple dream of a day on the clam beach was being turned into a motionless nightmare.

After an hour and a half of barely moving, we resigned ourselves to our destiny. As we drove along, wondering when, if

ever, we would reach our destination, we noticed a narrow park, a thin line of green, running several metres beside the highway.

The children had been fretting for long enough to make the grown-ups want to give up and turn round. The park, just a green patch with bushes, a few trees, and a swing here and there, suddenly looked inviting. Children and even grown-ups were leaving their cars to wander through a stretch of man-made nature that on a clear day you would not even notice.

We inched closer and closer to the park. We let the boys out to breathe some fresh air. While the traffic continued to crawl fitfully, they were able to run around, invent a game or two and pick at the grass. There was plenty of time before the car would reach the other end of the park.

Those of us left in the car began a game of trying to work out the relationship between the

three young people and the one older lady in the vehicle in the next lane. Why were they all dressed up in what looked like their Sunday best and sitting in the middle of a traffic jam in an off-roader?

Such questions were quickly forgotten when the vehicles in the lane next to ours seemed to be moving ahead of those in our lane. Here comes a yellow Volvo station wagon with only one middle-aged man in it. There goes a red Mercedes with a family of four, plus poodles desperately struggling to get out.

An expensive-looking convertible, driven by an appropriately dressed man with moustache and dark glasses, catches up. He must be cursing his luck that on the one rare day when he can show off in his eye-catching convertible near Tokyo – where it's either muggy and hot summer, cold winter or raining in between – he should find himself stuck in

a traffic jam.

But just as the frustration begins to mount over the apparently faster pace of the vehicles in the other lane, we find ourselves at the end of the narrow stretch of park where the children have been playing.

The fresh air and exercise kept them in moderate spirits for the hour or so it took to arrive at the beach; thousands of earlier risers had been digging away for many hours. The afternoon sun had warmed the wet sand into a lukewarm mat.

The remaining clams were sluggish from the heat. We sank our feet into the uncomfortable mud, dug with our little plastic tools and collected what was left in plastic buckets. Then the sun began to set and it was back to the car, the already too familiar tapes, the inventing of lives for our motoring neighbours, and the determination never to leave the city on a Sunday.

Arcadia

Ploughboys turned playboys

Paddy Linehan casts his lot with the audience of the All-Ireland drama competition for farmers

It's lambing time in Bree but this year the ewes have to share the spotlight with the local farmer thespians. The props are ready and the stage is set for the keenly contested second round of the All-Ireland Macra Na Feirme Drama Competition for farmers and their friends. The local group is presenting "Us and Them" and the whole community has a hand in the production. Rehearsals have been going on now since September. This is the second round of a nationwide competition of more than 100 groups.

When I was a child in this County Wexford community, interest in anything other than the local football and hurling teams was considered subversive. Men went drinking while the women stayed at home knitting socks from unwashed yarn. We did "our lessons" in the dim glow of oil lamps. The village had a shop that sold baker's bread, candles and oil in two-gallon drums. There was a church and a one-roomed pub where men whistled in a huddle until they got drunk enough to fight.

Entertainment and outings consisted of a weekly walk to Mass where the parish priest ruled from the pulpit. Contributions to "the support of your pastors" were announced with dramatic pauses to convey praise or reprimand depending on the size of the donation. I remember one litany climaxed dramatically with "and Danny Murphy brings up the rear with one bob".

The church was our theatre, the pulpit its stage. The one-roomed school where "the master" reigned was our window on the world. We took him for a walk to be filled in. Forms for scholarships to second level schools run by Brothers and Nuns. And we took logs and turf for the fire at which he sat. He looped his thumbs into his waistcoat and

declared "there will never be another Shakespeare". At first I thought he was talking about another battle where "the Irish fought bravely". When I discovered Shakespeare was a man and wrote plays, I understood that he was the only one who ever did, or would.

A travelling show came once a year and set up its marquee. We laughed up our sleeves at the people with bangles and baubles and bright hair. We said they were "cracked" because that's what we heard the grown-ups say. Some of us secretly admired them but to admit this would have brought the family into disrepute. One such group was called The Pipers; my father's most serious reprimand for poor performance in school or on the

farm was "you're fit for nothing but The Pipers now".

The field where they set up their marquee is today's venue. Now it has a Community Hall with stage and screen. Built by local labour, it has pool rooms and a gym. The dressing rooms are equipped with mirrors surrounded with lights that I never thought I'd see in Bree. And there are showers.

Mrs Prendergast, whose mother made the priest's vestments is a little worried her costumes may not be of the right period. She likes to fuss. Her nephew Shawn is the male lead and he comes early to pace the stage alone. It relieves him of tension. A rugged playboy of the western world, he has learnt the virtue of dramatic silence. His

opposite number arrives in a four-wheeled-drive Land Rover and calls him in for make-up.

They like to share the preparation and establish rapport. They don't talk about their roles. They're rehearsed to a T and now they want to keep their nerves under control. She has 23 ewes still in lamb. He's ploughing and sowing when it isn't raining.

Seamus thunders in and rages about late cues and that Mary's "always in my way when I go to knock the wall". She's used to him and puts it down to competition nerves. She helps him with his costume and promises to cut the stage in his field next to the one she is working in if only he'd stop nagging about her positions. Anyway the director said she was in the right place and he'd have

to work around her. "Working around you is like doing the ring of Kerry," he ripostes. "Break a leg, Seamus," she says kindly. "We're on in five."

There are four one-act plays and things must get started. There used to be plenty of time but not tonight. There is a programme to be got through. The curtain rises at exactly 7.30.

The three adjudicators from Dublin's Abbey theatre are spread around the auditorium at desks with little lights. The audience sneaks glances at them to see how they are taking things. Everybody reads a different meaning into the amount of time they spend writing. Order is essential and each group is given 15 minutes. The three share the public

adjudication. It is crisp and constructive. There are awards for acting, directing, sets, lighting, but the real prize is to be chosen to proceed to the next round.

The final adjudicator plays the audience. An old trooper, he thrives on a captive audience. He drags things out by walking the stage, touching props and cooing scenery. The casts in the wings hold their breath and try to smile at each other as if it didn't matter.

"It's close," he says and pauses for an endless moment, "but the home team wins for their departure from tradition." They are praised for their use of imagery and mime. The adjudicator reminds the audience of the importance of stimulating the imagination. Of getting away from reality. Of "dreaming things that never were and asking why not".

THE FINANCIAL TIMES
WEEKEND EDITION
APRIL 19/20 1997
PAGES 2-5
ISSN 0950-0804

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Savings Account	3.25	8.8	3.28

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£10,000-£24,999	3.80	3.04	3.85	On
£25,000-£49,999	4.20	3.36	4.27	On
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£250,000-£499,999	4.27	3.42	4.34	On
£500,000-£999,999	4.57	3.98	4.85	On
£1,000,000-£1,999,999	5.02	4.30	5.74	On
£2,000,000-£3,999,999	3.72	4.58	8.84	On

42 St. Andrew Square, Edinburgh EC2 2YE	0131 523 7084
£1,000,000	5.75 4.50 5.88
£500,000 - £999,999	5.50 4.40 5.81

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	£3,000-£3,999		8.40	2.72
	£4,000-£4,999		3.80	3.04
	£5,000-£6,999		4.20	3.36
	£7,000+		4.50	3.80

Capitol Trust Financial Management
 5-10 Brook St, Colchester Co. Lendward
 Investment Portfolio 240.7 253.4 +0.3 --

Royal Bank of Scotland plc
 Corporate Money Market Account
 42 St Andrew Square, Edinburgh EH2 2BE 0131 522 5000

Executive Payroll	206.7	219.7	-6.5	-	£100,000 - £249,999	3.50	2.80	3.55	On
Managerial Growth	134.8	141.6	+6.3	-	£250,000 - £499,999	4.27	3.42	4.34	On
					£500,000 - £999,999	4.67	3.98	4.86	On
					£1,000,000 - £1,999,999	5.02	4.35	5.74	On
					£2,000,000 - £3,999,999	3.72	4.58	5.84	On

DBS Financial Management PLC
 Independent 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th, 101st, 102nd, 103rd, 104th, 105th, 106th, 107th, 108th, 109th, 110th, 111th, 112th, 113th, 114th, 115th, 116th, 117th, 118th, 119th, 120th, 121st, 122nd, 123rd, 124th, 125th, 126th, 127th, 128th, 129th, 130th, 131st, 132nd, 133rd, 134th, 135th, 136th, 137th, 138th, 139th, 140th, 141st, 142nd, 143rd, 144th, 145th, 146th, 147th, 148th, 149th, 150th, 151st, 152nd, 153rd, 154th, 155th, 156th, 157th, 158th, 159th, 160th, 161st, 162nd, 163rd, 164th, 165th, 166th, 167th, 168th, 169th, 170th, 171st, 172nd, 173rd, 174th, 175th, 176th, 177th, 178th, 179th, 180th, 181st, 182nd, 183rd, 184th, 185th, 186th, 187th, 188th, 189th, 190th, 191st, 192nd, 193rd, 194th, 195th, 196th, 197th, 198th, 199th, 200th, 201st, 202nd, 203rd, 204th, 205th, 206th, 207th, 208th, 209th, 210th, 211st, 212nd, 213th, 214th, 215th, 216th, 217th, 218th, 219th, 220th, 221st, 222nd, 223rd, 224th, 225th, 226th, 227th, 228th, 229th, 230th, 231st, 232nd, 233rd, 234th, 235th, 236th, 237th, 238th, 239th, 240th, 241st, 242nd, 243rd, 244th, 245th, 246th, 247th, 248th, 249th, 250th, 251st, 252nd, 253rd, 254th, 255th, 256th, 257th, 258th, 259th, 260th, 261st, 262nd, 263rd, 264th, 265th, 266th, 267th, 268th, 269th, 270th, 271st, 272nd, 273rd, 274th, 275th, 276th, 277th, 278th, 279th, 280th, 281st, 282nd, 283rd, 284th, 285th, 286th, 287th, 288th, 289th, 290th, 291st, 292nd, 293rd, 294th, 295th, 296th, 297th, 298th, 299th, 300th, 301st, 302nd, 303rd, 304th, 305th, 306th, 307th, 308th, 309th, 310th, 311st, 312nd, 313th, 314th, 315th, 316th, 317th, 318th, 319th, 320th, 321st, 322nd, 323rd, 324th, 325th, 326th, 327th, 328th, 329th, 330th, 331st, 332nd, 333rd, 334th, 335th, 336th, 337th, 338th, 339th, 340th, 341st, 342nd, 343rd, 344th, 345th, 346th, 347th, 348th, 349th, 350th, 351st, 352nd, 353rd, 354th, 355th, 356th, 357th, 358th, 359th, 360th, 361st, 362nd, 363rd, 364th, 365th, 366th, 367th, 368th, 369th, 370th, 371st, 372nd, 373rd, 374th, 375th, 376th, 377th, 378th, 379th, 380th, 381st, 382nd, 383rd, 384th, 385th, 386th, 387th, 388th, 389th, 390th, 391st, 392nd, 393rd, 394th, 395th, 396th, 397th, 398th, 399th, 400th, 401st, 402nd, 403rd, 404th, 405th, 406th, 407th, 408th, 409th, 410th, 411st, 412nd, 413th, 414th, 415th, 416th, 417th, 418th, 419th, 420th, 421st, 422nd, 423rd, 424th, 425th, 426th, 427th, 428th, 429th, 430th, 431st, 432nd, 433rd, 434th, 435th, 436th, 437th, 438th, 439th, 440th, 441st, 442nd, 443rd, 444th, 445th, 446th, 447th, 448th, 449th, 450th, 451st, 452nd, 453rd, 454th, 455th, 456th, 457th, 458th, 459th, 460th, 461st, 462nd, 463rd, 464th, 465th, 466th, 467th, 468th, 469th, 470th, 471st, 472nd, 473rd, 474th, 475th, 476th, 477th, 478th, 479th, 480th, 481st, 482nd, 483rd, 484th, 485th, 486th, 487th, 488th, 489th, 490th, 491st, 492nd, 493rd, 494th, 495th, 496th, 497th, 498th, 499th, 500th, 501st, 502nd, 503rd, 504th, 505th, 506th, 507th, 508th, 509th, 510th, 511st, 512nd, 513th, 514th, 515th, 516th, 517th, 518th, 519th, 520th, 521st, 522nd, 523rd, 524th, 525th, 526th, 527th, 528th, 529th, 530th, 531st, 532nd, 533rd, 534th, 535th, 536th, 537th, 538th, 539th, 540th, 541st, 542nd, 543rd, 544th, 545th, 546th, 547th, 548th, 549th, 550th, 551st, 552nd, 553rd, 554th, 555th, 556th, 557th, 558th, 559th, 560th, 561st, 562nd, 563rd, 564th, 565th, 566th, 567th, 568th, 569th, 570th, 571st, 572nd, 573rd, 574th, 575th, 576th, 577th, 578th, 579th, 580th, 581st, 582nd, 583rd, 584th, 585th, 586th, 587th, 588th, 589th, 590th, 591st, 592nd, 593rd, 594th, 595th, 596th, 597th, 598th, 599th, 600th, 601st, 602nd, 603rd, 604th, 605th, 606th, 607th, 608th, 609th, 610th, 611st,

Cash	116.2	121.2	-	17,000,000	5.75	4.50	5.50	1000
Debt	107.0	118.1	-	2500,000 - CRRS, 500	5.50	4.50	5.51	1000
Emerging Markets	110.8	118.7	-0.8	-	-	-	-	-
Foreign Exchange	120.0	122.2	-	-	-	-	-	-
Saves & Prospects/Robert Fleming								
16-22 Western Ind. Regions RMT 30.0								
Cash Account	-	-	-	4.35	3.40	-	-	0000 82002
TESCO Fund 1 Year	-	-	-	5.85	-	-	5.85	Year
TESCO Value	-	-	-	8.00	-	-	8.00	Year
TESCO Cash Flow	-	-	-	-	-	-	-	Year

HFS Chd Int Mgtl Acc	70.5	83.8	-	Poplar Acc 12/20/99	3.40	2.72	2.45	Chd
HFS Chd Int Mgtl Acc	50.4	84.2	-	Poplar Acc 12/20/99	5.00	4.80	5.00	Chd
HFS Chd Int Mgtl Acc	50.4	84.2	-	Beverage 80 1/10/00	5.85	4.63	5.80	Mer
HFS Chd Int Mgtl Acc	50.4	84.2	-	Sovereign 80 12/20/99	5.84	4.87	5.20	Mer

HFS Capital Management PLC				J. Henry Schroder & Co Ltd Special Account			
179 Old Bond Street, South		01225 480424		120 Chancery, London EC2N 8BS		0171-693 339	
Recommended Photo	145.4	-0.1	-	22-000-00-000	4.85	3.98	5.00
Recommended Photo	157.8	168.5	-0.2	22-000-00-000	4.85	3.98	5.00

Johnson Fry Asset Managers Plc 26 Royal Court, London, SE1 4PZ 0171-635 5808 JF M&S Managed WFF (L) 235.0 247.5 JF Protected Cash Bond 384.5 JF M&S 144.9 163.7	United Domains Trust Ltd PO Box 32, Herts, EN4 0DY Capital Finance, Chancery £25,000+ 5.39 4.28 5.46
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Company	1992	1991	1990	1989	1988
Machinery & Dowry					
57 Machinery Pl., Portland, Me.					
Mingyi Food (HK)	202.3	712.8	-0.3	-	-
Intel Problems (M/O)	184.8	184.1	-0.2	-	-
Worldwide Inc. (PC)		131.5	+0.6	-	-
President					

Management Fee (%)	304.6	320.8	-0.6	-	Gross: Contractual rate of interest payable, net
Interest Strike (%)	108.4	105.7	(0)	-	taking account of the deduction of basic rate
Effective Funds					income tax.
Unsettled (%)	182.0		-12.3	-	Net: Rate of interest payable after allowing for
					deduction of basic rate income tax.
					Gross CAGR: Gross rate attributed to take
					account of conversion of interest rate

Marsh Financial Management PLC
 4-14 Mount St, Tinsbridge Walk, Rom
 01822 515610

For Dollar one half year

● NOTES
Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax.
Net Rate of interest payable after allowing for deduction of basic rate income tax.
Gross CAF: Gross rate annualised to take account of compounding of interest paid other than once a year, 'Compounded Annual Rate'.
let Crt Frequency at which interest is credited to the account.

OFFSHORE AND OVERSEAS

BERMUDA
(\$1B RECOGNISED)

**BERMUDA
(REGULATED)(*)**

Percent Units	0	2050.0	2052.2	-14.1	3.1
Prudential Fund Managers (Guernsey) Ltd					
PO Box 51, St Peter Port, Guernsey					
				G1481	707000
Prudential Money Funds Ltd					
Managed Money	---	140.8	148.9	+8.3	6.2
Managed Dollar	---	5	\$14.95	14.20	+0.01 6.7
Dollar Deposit	---	510.1	10.18	+0.01	3.8
Rockcliffe Asset Management (CI) Ltd					
PO Box 242, St Peter Port, Guernsey					
				G1481	716700

Asia Pacific	30,999	+0.00																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	</
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[illegible]

Stamps International Ltd	Stamp Fund Managers Ltd	UK shares	20	12,135	2,320	0.00
Stamp Fund Manager 1	51,150	North American	20	32,778	2,885	-0.07
Stamp Fund Manager 2	51,150	Europe	20	32,778	2,885	-0.07
Stamp Fund 1	51,150	Japan	20	32,778	2,885	-0.07
Stamp Fund 2	51,150	Asia Pacific	20	32,778	2,885	-0.07
Stamp Fund 3	51,150	Global	20	32,778	2,885	-0.07
Stamp Fund 4	51,150	Emerging Markets	20	32,778	2,885	-0.07
Stamp Fund 5	51,150	Fixed Income	20	32,778	2,885	-0.07
Stamp Fund 6	51,150	Real Estate	20	32,778	2,885	-0.07
Stamp Fund 7	51,150	Commodities	20	32,778	2,885	-0.07
Stamp Fund 8	51,150	Art Collection	20	32,778	2,885	-0.07
Stamp Fund 9	51,150	Private Equity	20	32,778	2,885	-0.07
Stamp Fund 10	51,150	Infrastructure	20	32,778	2,885	-0.07
Stamp Fund 11	51,150	Technology	20	32,778	2,885	-0.07
Stamp Fund 12	51,150	Healthcare	20	32,778	2,885	-0.07
Stamp Fund 13	51,150	Energy	20	32,778	2,885	-0.07
Stamp Fund 14	51,150	Environmental	20	32,778	2,885	-0.07
Stamp Fund 15	51,150	Socially Responsible	20	32,778	2,885	-0.07
Stamp Fund 16	51,150	ESG	20	32,778	2,885	-0.07
Stamp Fund 17	51,150	Carbon Footprint	20	32,778	2,885	-0.07
Stamp Fund 18	51,150	Water Usage	20	32,778	2,885	-0.07
Stamp Fund 19	51,150	Waste Management	20	32,778	2,885	-0.07
Stamp Fund 20	51,150	Renewable Energy	20	32,778	2,885	-0.07
Stamp Fund 21	51,150	Green Buildings	20	32,778	2,885	-0.07
Stamp Fund 22	51,150	Sustainable Development	20	32,778	2,885	-0.07
Stamp Fund 23	51,150	Climate Change	20	32,778	2,885	-0.07
Stamp Fund 24	51,150	Environmental Impact	20	32,778	2,885	-0.07
Stamp Fund 25	51,150	Social Impact	20	32,778	2,885	-0.07
Stamp Fund 26	51,150	Human Rights	20	32,778	2,885	-0.07
Stamp Fund 27	51,150	Labour Rights	20	32,778	2,885	-0.07
Stamp Fund 28	51,150	Gender Equality	20	32,778	2,885	-0.07
Stamp Fund 29	51,150	Diversity & Inclusion	20	32,778	2,885	-0.07
Stamp Fund 30	51,150	Community Development	20	32,778	2,885	-0.07
Stamp Fund 31	51,150	Local Economic Development	20	32,778	2,885	-0.07
Stamp Fund 32	51,150	Small Business Support	20	32,778	2,885	-0.07
Stamp Fund 33	51,150	Entrepreneurship	20	32,778	2,885	-0.07
Stamp Fund 34	51,150	Innovation	20	32,778	2,885	-0.07
Stamp Fund 35	51,150	Research & Development	20	32,778	2,885	-0.07
Stamp Fund 36	51,150	Academic Research	20	32,778	2,885	-0.07
Stamp Fund 37	51,150	Public Policy	20	32,778	2,885	-0.07
Stamp Fund 38	51,150	Government Relations	20	32,778	2,885	-0.07
Stamp Fund 39	51,150	Public Affairs	20	32,778	2,885	-0.07
Stamp Fund 40	51,150	Media Relations	20	32,778	2,885	-0.07
Stamp Fund 41	51,150	Public Relations	20	32,778	2,885	-0.07
Stamp Fund 42	51,150	Corporate Communications	20	32,778	2,885	-0.07
Stamp Fund 43	51,150	Investor Relations	20	32,778	2,885	-0.07
Stamp Fund 44	51,150	Analyst Relations	20	32,778	2,885	-0.07
Stamp Fund 45	51,150	Media & Communications	20	32,778	2,885	-0.07
Stamp Fund 46	51,150	Public & Media Relations	20	32,778	2,885	-0.07
Stamp Fund 47	51,150	Media & Public Relations	20	32,778	2,885	-0.07
Stamp Fund 48	51,150	Media & Public Affairs	20	32,778	2,885	-0.07
Stamp Fund 49	51,150	Media & Public Policy	20	32,778	2,885	-0.07
Stamp Fund 50	51,150	Media & Public Affairs	20	32,778	2,885	-0.07
Stamp Fund 51	51,150	Media & Public Affairs	20	32,778	2,885	-0.07
Stamp Fund 52	51,150	Media & Public Affairs	20	32,778	2,885	-0.07
Stamp Fund 53	51,150	Media & Public Affairs	20	32,778	2,885	-0.07
Stamp Fund 54	51,150	Media & Public Affairs	20	32,778	2,885	-0.07

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Advanced Motion	0001	1,625	-0.97						
Advanced Technology	0002	1,625	-0.97						
Advanced Technology	0003	1,625	-0.97						
Advanced Technology	0004	1,625	-0.97						
Advanced Technology	0005	1,625	-0.97						
Advanced Technology	0006	1,625	-0.97						
Advanced Technology	0007	1,625	-0.97						
Advanced Technology	0008	1,625	-0.97						
Advanced Technology	0009	1,625	-0.97						
Advanced Technology	0010	1,625	-0.97						
Advanced Technology	0011	1,625	-0.97						
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Advanced Technology	0019	1,625	-0.97						
Advanced Technology	0020	1,625	-0.97						
Advanced Technology	0021	1,625	-0.97						
Advanced Technology	0022	1,625	-0.97						
Advanced Technology	0023	1,625	-0.97						
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Advanced Technology	0027	1,625	-0.97						
Advanced Technology	0028	1,625	-0.97						
Advanced Technology	0029	1,625	-0.97						
Advanced Technology	0030	1,625	-0.97						
Advanced Technology	0031	1,625	-0.97						
Advanced Technology	0032	1,625	-0.97						
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Advanced Technology	0036	1,625	-0.97						
Advanced Technology	0037	1,625	-0.97						
Advanced Technology	0038	1,625	-0.97						
Advanced Technology	0039	1,625	-0.97						
Advanced Technology	0040	1,625	-0.97						
Advanced Technology	0041	1,625	-0.97						
Advanced Technology	0042	1,625	-0.97						
Advanced Technology	0043	1,625	-0.97						
Advanced Technology	0044	1,625	-0.97						
Advanced Technology	0045	1,625	-0.97						
Advanced Technology	0046	1,625	-0.97						
Advanced Technology	0047	1,625	-0.97						
Advanced Technology	0048	1,625	-0.97						
Advanced Technology	0049	1,625	-0.97						
Advanced Technology	0050	1,625	-0.97						
Advanced Technology	0051	1,625	-0.97						
Advanced Technology	0052	1,625	-0.97						
Advanced Technology	0053	1,625	-0.97						
Advanced Technology	0054	1,625	-0.97						

Henry Growth Inc.	\$22.84	22.84																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
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Offshore Insurances and Other Funds

1944

1944

Political concerns leave Paris 2.6% lower

Alternative Investment Market

COMPANIES AND FINANCE

Upmarket retailer plans £40m investment at flagship Regent Street store

Liberty moves back into black

By Christopher Price

Liberty yesterday unveiled a £40m investment in its flagship London West End store as the upmarket retailer announced a return to the black in 1996.

Pre-tax profits of £4.4m came against losses of £16.6m in 1995 when the company restructured its operations, including the closure of several provincial stores. Sales for the 53 weeks to February 1 from ongoing operations rose 4 per cent to £82.2m. Total turnover fell 6 per cent to £80.9m.

The investment in the famous Regent Street store will increase capacity by half to 140,000 sq ft and take three years to complete. Most of the space will come from converting offices on the site.

Sir Dennis Cassidy, chairman, said the expansion of the flagship store was part of the group's new strategy of investing in its core Liberty brand. Other plans included the expansion of small Liberty outlets at airport termi-

nals - the group has four at London's Heathrow airport - and other key markets such as Japan.

The company also intends to underpin the Liberty brand with a greater range of products other than textiles, such as silverware, leather goods and frames.

The £40m expansion and other investments, will be met from cashflow and increased borrowings. The company had net debts of £900,000 at the year-end, against cash of £3.3m.

This represented gearing of 1.5 per cent and Mr Andrew Garety, finance director, said he would be comfortable with a gearing ratio of 50 per cent. Cash flow from ongoing operations was £4m.

Operating profits from ongoing operations increased 11 per cent to £3.7m. Like-for-like sales rose 5.4 per cent during the year, although the rate of growth accelerated to 8 per cent in the second half. This level had continued in the first 10 weeks of the current



Sir Dennis Cassidy: store expansion was part of new strategy of investing in core brand

year, according to Sir Dennis.

He said the improvement in the retail market, together with the group's plans to exploit the brand

and expand the flagship store, pointed to a bright outlook for the company.

Earnings per share rose to 17.51p, against losses of 79.83p. Adjusted earnings per

share, excluding exceptional items, rose to 9.53p. A final and total dividend of 1.85p is unchanged from last year.

The shares closed unchanged at 370p.

Newport News dips in first quarter

By Tim Burt

Newport News Shipbuilding, North America's largest warship builder, yesterday blamed a 15 per cent fall in first-quarter earnings on reduced construction and repair work.

The company - reporting its first figures since last December's demerger from Teacore, the US conglomerate - saw operating earnings fall from \$41m to \$35m on reduced sales of \$403m, against \$438m. After \$18m of interest payments, pre-tax earnings fell from \$32m to \$22m.

Mr David Anderson, chief financial officer, said sales had fallen following completion of the \$404m overhaul of the aircraft carrier USS Eisenhower and the delivery of the last of the Los Angeles class submarines.

That had contributed to reduced overhaul and repair revenues of \$109m (\$130m) and lower construction sales of \$242m (\$260m).

Despite the reduced sales, profit margins rose from 7.5 to 8.8 per cent as the group continued to push through its restructuring programme.

Mr Anderson predicted turnover would rebound next year following the arrival of the Nimitz carrier, which is scheduled to undergo a 27-month refuelling worth \$1bn. "There will also be a start-up in further submarine business, so our order backlog should begin to grow," he added.

In the meantime, the company has launched a strategic review of its investment and dividend distribution policy, aimed at cutting its estimated \$600m of debt.

Mr Anderson said the review would recommend ways of reducing gearing from current levels of 75 per cent to 40-45 per cent. "We need to reassess the best use of our cash, and various options are being considered."

In the first quarter, operating cash flow came in at a higher-than-expected \$68m, although that figure was flattened by advance payments.

Maiden earnings per share came in at 38 cents and the company has announced a first quarter dividend of 4 cents.

In early trading, shares in the group rose 3p to \$14.

NEWS DIGEST

Sears close to Freemans sale

Sears is expected to announce next week that it has agreed terms for the sale of Freemans, its UK mail order business, to Littlewoods, the home shopping and football pools group.

The two sides were still locked in the final stages of negotiations last night, but it is thought that Sears is aiming to present an agreed deal to its directors at a pre-results board meeting on Thursday. An announcement is expected to follow board approval.

Although no final price has been agreed, it is thought Littlewoods has offered between \$310m and \$350m net.

This compares with the \$358m net it offered late last year. That bid was dropped when it emerged Sears was pursuing alternative negotiations with rival mail order group, N Brown, after the government referred the Littlewoods bid to the MMC. However, the two companies failed to agree a price.

The board meeting will also consider a restructuring plan to be proposed by embattled chief executive, Mr Liam Strong. He is expected to propose that large parts of the group's shoe business, British Shoe Corporation, should be closed or sold in light of a further deterioration in trading.

Analysts are now expecting to downgrade profits by at least £10m. Expectations had been for profits of about £50m. This is likely to prompt a concerted institutional campaign for Mr Strong's resignation. One substantial shareholder said: "Enough is enough," he said. "I think whatever happens, he will have to go."

A source close to Sears rejected suggestions that the company would be forced to accept whatever price Littlewoods put forward to placate frustrated shareholders. He said other bidders were in the wings, such as Otto Versand, the German mail-order group.

Peggy Holtzinger

Qualceram to debut in Dublin

Qualceram, a manufacturer of bathroom suites, will next week become the first Irish company to list on the Dublin stock exchange in more than 3 years.

The country's only manufacturer of bathroom suites issued its prospectus yesterday. It is raising £55.4m through an issue of 4.3m shares, at a strike price of 150p a share, valuing the company at £831m (£20m). Trading begins on April 24.

The deal, which is being managed by English Trust, together with stockbrokers Teather & Greenwood and Davy, is the first Irish listing since the Irish Permanent building society in 1994. Qualceram is also joining the London stock exchange.

Turnover has increased by 49 per cent in the past 3 years, rising 31 per cent in 1996 to £27.53m. Pre-tax profits came in at £21.54m. Operating margins were 21 per cent. Brokers estimate that 30 per cent of the offering was placed with Irish and Scottish institutions.

The founders will retain 64 per cent of the company after the offer.

John Murray Brown

Shield Diagnostics placing

Shield Diagnostics, the loss-making healthcare concern, has placed 550,000 new ordinary shares of 25p at 500p per share to raise a total of £27.5m. Of the shares, which represents 2.9 per cent of Shield's share capital, 545,000 have been placed with institutions while 5,000 were placed with Mr David Evans, Shield's finance director.

Usborne sells grain division

Usborne has withdrawn from grain merchandising with the sale of Usborne Grain to Sidney C Banks, the grain and agricultural merchant, for \$4.1m in cash. Prior to the disposal, Usborne also received a dividend from the subsidiary of a net £245,000.

Charity has stake in CWS predator

By Norma Cohen

Henry Smith's Charity, a medical charity which has existed for 350 years, has emerged as a shareholder in Galileo, the investment vehicle which intends to launch a bid for the Co-operative Wholesale Society.

A review of documents at Companies House shows Glyn Mills Nominees (London Street) a/c 2153, identified as a nominee account for the charity, holds just over 10 per cent of Galileo's first redeemable shares and 1 per cent of its non-voting ordinary shares. The stake would be unusual because of restrictions on the nature of charity investments.

Mr Brian McGeough, a partner at solicitors Denton Hall and correspondent for the charity, said he knew nothing of the investment. The charity has three external fund managers; Schroder Investment Management, M&G and Hambros, whose corporate finance arm is advising Lanica Trust, Galileo's main shareholder.

The three said they knew nothing of the investment.

The documents show that clients of Bank of Bermuda (Luxembourg) are large investors, as is Schroders Smaller Companies Exempt Fund. Also, Jupiter Asset Management and the Jupiter Income Fund, along with clients of private stockbroker Killick & Co, are investors.

Schroders, Jupiter Asset and Killick bought a 17.5 per cent stake in Lanica for 200p a share last December when the shares were 800p. They said the deal had been struck before the price rise. The three had backed Mr Andrew Regan, Lanica's main shareholder, when his Hobson company bought CWS's food business in 1994.

Second profits warning hits Rascal shares

By Christopher Price

Rascal Electronics yesterday issued its second profits warning in four months sending the shares down 12 per cent and angering investors and analysts.

The UK company said its data products business, which had been expected to move into profit during the second half, had incurred losses of £7m. It blamed a delay in the launch of one of its key products.

Rascal said pre-tax profits for the year ended March 31, 1997, could now be as low as £40m, against £70.4m last year. Analysts, who had downgraded their profit fore-

casts after December's warning to £50m, to cut them again to little over £40m.

The latest setback increased speculation that the company will be broken up.

"Rascal will not last until the end of the year," predicted Mr Mike Taylor, of Credit Lyonnais Laing. Ms Sue Cox at UBS said a Rascal demerger was now "almost inevitable".

Mr David Elsbury, chief executive, said there were no plans to break up the company. He said the latest profit warning was "just a blip in a fantastic recovery story," at Rascal.

Rascal upset analysts and

investors in December when it warned over trading at its radio division. The warning came five months after the company forecast a "substantial" rise in profits for 1996-97. Last June, Mr Elsbury predicted that Rascal would beat its pre-tax profits of £70.4m, despite a £20m provision for the data products business.

The data products division, based in Florida, has cost Rascal £50m in provisions and investments in the past four years and run up losses of £50m.

Rascal shares lost 33p to 243p.

See Lex

RESULTS

Company	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current dividend (p)	Date of payment	Dividend corresponding (p)	Total for year	Total last year
British Land	31.4	1.44	(0.97)	0.37	(0.34)	2.61	(1.35)	nil
Liberty	82.2	4.4	(16.6)	17.51	(79.83)	1.85	1.85	1.85
Lynne Irish Holdings	14	(13.2)	4.37	(4.2)	12.83	(11.94)	8.6	1.2
Minerva	13.3	(12.9)	8.5	(2.7)	14.49	(6.2)	1.4	1.4
Investment Trusts	NAV (p)	NAV (p)	NAV (p)	NAV (p)	NAV (p)	NAV (p)	NAV (p)	NAV (p)
NTR Healthcare	28	1.75	(1.6)	7.05	(6.48)	1.6	1.6	1.6

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. After exceptional charge. After exceptional credit. 10p increased capital. *Comparatives restated. †£100 currency. ‡Comparatives pro rata. §Gross rental income. ¶Nil stock.

ISSUE OF £2,000,000,000

7% TREASURY STOCK 2002

INTEREST PAYABLE HALF-YEARLY ON 7 JUNE AND 7 DECEMBER
FOR AUCTION ON A BID PRICE BASIS ON 23 APRIL 1997

PAYABLE IN FULL WITH APPLICATION

With a competitive bid
With a non-competitive bidPrice bid plus accrued interest
£103 per £100 nominal of Stock

Application has been made to the London Stock Exchange for the Stock to be admitted to the Official List on 24 April 1997.

Auction of Stock

1. THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND invite bids for the above Stock.

General

2. This prospectus is issued under the arrangements described in the Information Memorandum for Issues of British Government Stock published by the Bank of England on 27 March 1997 (the "Information Memorandum"). The terms of the Information Memorandum apply to the above Stock and to the auction described in this prospectus except where expressly varied.

Maturity

3. The Stock will be repaid at par on 7 June 2002.

Interest

4. Interest is payable half-yearly on 7 June and 7 December. The price payable for this further issue of the Stock will include an amount equal to accrued interest from 5 December 1996 (the original date of issue of the Stock) to 24 April 1997 (the settlement date of this further issue) at the rate of £3.68493 per £100 nominal of Stock. This further issue of the Stock will rank for the first interest payment of £3.5288 per £100 nominal of Stock due on 7 June 1997.

National Savings Stock Register

5. The Stock may be held on the National Savings Stock Register.

FOTRA exemptions

6. The Stock and the interest payable on it will benefit from the exemptions in favour of non-resident holders described in paragraph 21 of the Information Memorandum (FOTRA stocks first issued after 29 April 1996).

Gross payment of interest

7. Interest will be paid without deduction of income tax pursuant to a direction under section 50 of the Income and Corporation Taxes Act 1988.

Stripping

8. The Stock is potentially stripable: paragraphs 6 and 7 of the Information Memorandum therefore apply.

Methods of application

9. Bids may be made on either a competitive or non-competitive basis in accordance with paragraphs 3 to 16 of the Information Memorandum.

Non-competitive bids: amount payable on application

10. The amount payable on application in the case of a non-competitive bid is £103 per £100 nominal of Stock.

Latest times for receipt of applications

11. Application forms must be sent to the Bank of England, New Issues, PO Box 444, Gloucester, GL1 1NP to arrive not later than 10.30 AM ON WEDNESDAY, 23 APRIL 1997; or lodged by hand at the Central Gilt & Money Markets Office, Bank of England, Threadneedle Street, London not later than 10.30 AM ON WEDNESDAY, 23 APRIL 1997; or lodged by hand at any of the Branches or Agencies of the Bank of England not later than 3.00 PM ON TUESDAY, 22 APRIL 1997. Gilt-edged market makers may bid by telephone to the Bank of England not later than 10.30 AM ON WEDNESDAY, 23 APRIL 1997.

Bids irrevocable

12. Bids will not be revocable between 10.30 am on Wednesday, 23 April 1997 and 10.00 am on Monday, 28 April 1997.

BANK OF ENGLAND

LONDON

15 April 1997

APPLICATION FORM FOR

7% TREASURY STOCK 2002

Complete Section 1 or 2, plus Sections 6 and 8. Sections 3, 4, 5 and 7 should also be completed where appropriate.
TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND
I/we apply in accordance with the terms of the prospectus for competitive and non-competitive bids dated 15 April 1997 and the Information Memorandum for Issues of British Government Stock dated 27 March 1997 as follows:

FOR COMPETITIVE BIDS ONLY

(ie for Stock to be purchased at the price bid plus accrued interest)
See notes (a) and (b) below.

Nominal amount of 7% Treasury Stock 2002

applied for: £

£500,000-£1,000,000 £100,000

£1,000,000 or greater £100,000

Price bid per £100 nominal of Stock, being a multiple of 1/32nd of £1:

£ 32nds

£ D

2 68.493

PLUS accrued interest at the rate of £2.68493 per £100 nominal of Stock:

£ P

Total amount payable per £100 nominal of Stock: (excluding accrued interest)

£

Amount required for payment IN FULL AT THE PRICE BID PLUS ACCRUED INTEREST:

£

FOR NON-COMPETITIVE BIDS ONLY

(ie for Stock to be purchased at the non-competitive sale price, plus accrued interest, as defined in the Information Memorandum)

See notes (c) and (d) below.

Nominal amount of 7% Treasury Stock 2002

applied for, being a multiple of £1,000, with a minimum of £1,000 and a maximum of £500,000 nominal of Stock:

£

Sum enclosed, being £103 for every £100 NOMINAL of Stock applied for:

£

FOR CGO MEMBERS ONLY

CGO Participant Number

Name of Contract Telephone Number

REGULATED FINANCIAL INSTITUTIONS ONLY

(unless Section 3 applies)

Name of Regulator

Membership/Reference Number

Country/Territory of Regulator

THIS SECTION TO BE COMPLETED BY APPLICANTS ACTING

AS AGENT FOR ANY THIRD PARTY

(unless the applicant is a CGO member or is a UK or EEA regulated financial institution, and Section 3 or 4 has been completed)

Full name and permanent address of each third party:

FORENAME(S) AND SURNAME(S) ADDRESS (including postcode)

If additional space is required, please continue on separate sheet.

THIS SECTION TO BE COMPLETED BY ALL APPLICANTS

I/we request that Stock sold to me/us be registered in the undermentioned name(s) and that my/our certificate be sent by post at my/our risk to the first named holder in the address shown below.

IN THE CASE OF A NON-COMPETITIVE APPLICATION, I/we warrant that to my/our knowledge this is the only non-competitive application made for my/our benefit (or for the benefit of the person(s) on whose behalf I/we are applying).

IN THE CASE OF AN APPLICATION BY A MEMBER OF THE CGO SERVICE WHO HAS COMPLETED SECTION 3, we request that any Stock allocated to us be credited direct to our account at the CGO.

We hereby irrevocably undertake to accept such Stock by member-to-member delivery through the CGO Service from the Governor and Company of the Bank of England, Number 2 Account (Participant number 5183) by the deadline for such deliveries on 24 April 1997, and we agree that the consideration to be input in respect of such delivery shall be the amount payable by us on the sale of such Stock in accordance with the terms of the prospectus.

IN THE CASE OF AN APPLICATION MADE ON BEHALF OF A THIRD PARTY, I/we have declared and assumed the identity of each person on whose behalf I/we are applying, and I/we will on demand create such evidence available to the Bank of England or the relevant authority.

SIGNATURE(S) of, or on behalf of, applicant

Date

DETAILS OF APPLICANT(S)

(If not the person in section 3)

FORENAME(S) AND SURNAME(S) ADDRESS (including postcode)

NOTES

(a) A competitive bid may not be made by an applicant as agent for any third party unless the applicant is a member of the CGO or is a UK or EEA regulated financial institution.

(b) Except in the case of members of the CGO Service who have completed Section 3, a CHAPS payment must be sent to the Sterling Banking Office, Bank of England (Sort Code 10-00-00) for the credit of "New Issues" (Account number 58560009) quoting the reference "AUCTION", to arrive not later than 1.30 pm on Thursday, 24 April 1997. CHAPS payments must be debited to an account in the name of the applicant (or an account in the joint names of the applicant and one or more others) held with a bank or building society in the UK.

REGISTRATION DETAILS

Stock may be registered in the names of individuals or a corporate body.

CAPITAL LETTERS PLEASE

Title Forename(s) in full Surname

Address

Postcode

Title Forename(s) in full Surname

Address

Postcode

Daytime Telephone Number (in case there is a query)

FOR BANK OF ENGLAND USE

Box No. 716 End Transaction Number 1611

New Account No. Cert. Posted Date

The Stock will be registered on the Bank of England Register, unless you wish the Stock to be registered on the National Savings Stock Register (NSSR) (for which there is a maximum limit of £25,000 nominal of Stock) or at the Bank of Ireland, Belfast, in which case please tick the appropriate box.

NSSR

HELFAST

(c) A separate cheque must accompany each application. Cheques should be made payable to "Bank of England" and crossed "New Issues", and must be drawn on a bank in, and be payable to, the United Kingdom, the Channel Islands or the Isle of Man. The Bank of England reserves the right to require evidence of the identity of any applicant for Stock or of any person for whom an applicant is acting as agent. An applicant lodging an application form in person should bring evidence of identity bearing the applicant's photograph (for example a passport) and evidence of the applicant's name and address from a third party, for example a recent bill from a gas, electricity or telephone company or a bank or building society statement.

(d) The procedure for any refund, or further amount payable, is set out in the Information Memorandum.

Telefonica's Juan Villalonga explains his strategy to Tom Burns

Aker Mar



Under the Unisource deal, the government, which owns 24 per cent of Tisa, could have sold part or all of this stake to AT&T.

rather, but preferred to see Africa as a rival that he could, with the right ally, outflank in Latin America than as a partner that might gobble up his company.

In fact, the investment banker turned telecoms chief had simply done his sums.

the plunge in the memory market. The company said recurring profits for the group would be ¥120bn rather than the ¥160bn pre-

analyst at Salomon Brothers in Tokyo, said he did not expect the companies to start making profits on

provisions of FR 355m to cover restructuring costs and preparations for a single European currency.

Mr Jaime Augusto Zobel de Ayala, president, said the group would not be able to sustain the high level of growth. "Twenty-two per cent is a fairly aggressive number, I doubt if we will reach that by the end of the

environment might slow the company's revenue growth and erode its market share. *Bruce Jacques, Sydney*

the 1990s, the number of people in the United States who are 65 years of age or older is projected to increase from 20 million to 35 million, and the number of people 75 years of age or older is projected to increase from 10 million to 15 million (U.S. Census Bureau, 1996).

day announced an extensive reshuffle of top manage-

floating platforms for the oil and gas industry. Mr Eggen is to run Aker Maritime's US operations.

and a 5 per cent operating margin within three years.

Hydro. Aker Maritime has filed a Nkr500m compensa-

D-Rams and system-on-a-chip semiconductors which

12-28, 1997.

Post Town: _____ County: _____

By order of the Board of Directors

3. Discharge to be granted to the Directors and to the Auditor for the financial year ending December 31, 1998.
4. Action on nomination for the election of Directors and Auditors for the ensuing year.
5. Disclosure regarding the Directors' recommendation for the distribution of

By order of the Board of Directors

November 12-28, 1997.

across the Peruvian Andians, arrive in Puno on the shores of Lake Titicaca and cross this legendary lake to Bolivia

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Weekend April 19/April 20 1997

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Airtouch agrees to buy US West cellular arm

By Richard Waters
in New York

Airtouch, the US's biggest pure wireless telephone company, agreed yesterday to buy the cellular operations of US West, a local telecommunications group, in a transaction valued at \$4.5bn.

By lifting some of US West's debt burden, the deal could also help usher in a multi-billion dollar restructuring of the company's cable television partnership with entertainment giant Time Warner, Wall Street analysts said.

The manoeuvres come amid a broad realignment in the country's telecommunications and media industries. While two of the US's seven local telephone groups have just completed a merger and two others are close to following suit, Colorado-based US West has set its sights on becoming a leader in the cable television industry, which reaches more than 60 per cent of US homes.

Airtouch, a former subsidiary of a local telephone company, said it would issue stock, valued at yesterday's share price at \$2.3bn, to pay for the business.

That would leave shareholders in US West Media, the unit which owns US West's wireless and cable television operations, controlling a fifth of Airtouch's shares. In addition, Airtouch said it would

Breakdown of US West Media



	Revenue \$m	Operating Income \$m
Wireless communications	1,185	249
Cable television	464	20
Telephone directory and information services	1,259	454

Richard McCormick, US West chairman and CEO. Source: Company reports

assume \$2.2bn of US West Media's debt, which was put at \$16bn in total.

The two companies, which signed a co-operation agreement for their wireless businesses almost three years ago, had planned to combine the operations at some stage, said Mr Richard McCormick, chairman of US West.

The company has previously said that its wireless operations, which have 1.9m customers and generated \$300m of operating cashflow last year, were too small to prosper separately.

Mr Richard Post, chief financial officer of US West Media, added that the deal was also intended to cut the unit's debt and bring it closer to securing the separate, investment grade credit rating that would give it greater financial autonomy from US West. That would

mark an important step in US West's attempt to become one of the country's leading cable TV operators.

Last year it bought Continental Cablevision, the US's third biggest cable-TV company, and it owns 25 per cent of Time Warner Entertainment, which operates the second largest. Like Time Warner and TCI, the biggest cable-TV operator, it remains heavily loaded with debt.

Mr Post said that the deal with Airtouch was not designed primarily to pave the way for a deal with Time Warner, which has been pushing for some months for a restructuring of its cable TV joint venture with US West. He added that the company would be free to assume extra debt, provided it also acquired assets which generated cash to pay its higher interest bill.

Kremlin victory on company tax arrears

By Chrystia Freeland
in Moscow

Norilsk Nickel, the world's second-largest nickel producer, has bowed to pressure from the Kremlin over unpaid taxes and agreed to hand over equity as security against the arrears.

The decision is seen as an important victory for the new administration in Moscow in its battle to boost revenue collection.

The company said yesterday it would issue new shares in Norilsk Kombinat, its flagship mining unit, and give 50 per cent plus one controlling share of the outstanding stock to the government as collateral for a tax debt of Rbl1,200bn (\$208m).

The decision suggests that the Kremlin, whose tax collection drive last autumn brought lacklustre results, is stepping up its efforts to make Russia's largest companies pay their bills. Earlier this week Gazprom, the natural gas monopolist, promised to pay a Rbl7,000bn tax debt.

By going after Norilsk Nickel, the first company to adopt an equity swap scheme, which officials said could become widespread, the government has also sent a message that it may no longer protect the powerful commercial interests which brought it into office.

A controlling stake in the overall group is owned by Oleximbank, whose top executive was a deputy prime minister until last month's cabinet shuffle.

Mr Alexander Pochinok, new head of the Federal Tax Service, said the Norilsk scheme was part of a campaign to crack down on the \$6 large companies whose tax arrears accounted for about 60 per cent of all unpaid taxes.

He said the blacklist also included Russia's big oil producers, its top metallurgical plants and leading utilities companies. Mr Pochinok said Russia's industrial titans were willing to pay their taxes, with a little encouragement from the state.

THE LEX COLUMN

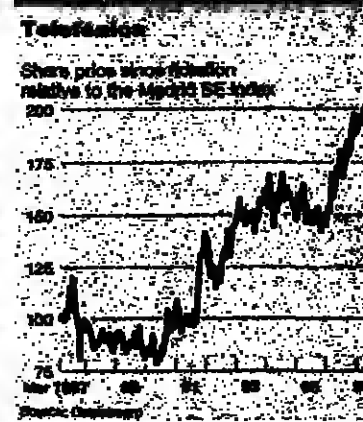
Castanets in Concert

Another voice has joined the Concert with Spain's Telefonica on board - at long last - the Concert alliance of British Telecommunications and MCI now spans 41 countries and has 3,000 international customers. Added to the deal with Portugal Telecom earlier this week, the Telefonica alliance brings Concert an enviable position in the fast-growing Latin American market. The companies will also make a point of targeting the 28m-strong Hispanic community to the US. On present form, the other two international alliances - Global One and AT&T's WorldPartners - are being comprehensively outplayed.

Of course, Telefonica's participation has been won at a price. BT has had to promise not to compete directly in the lucrative Spanish market, which has the highest margins in Europe. And the faster Concert expands, the more BT and MCI will have to invest. For a start, BT is spending more than £200m on shares in its new southern European friends, on which it is unlikely to make a commercial return. Luckily, given the strength of its balance sheet even if the MCI merger goes through, that should not overly concern investors.

Instead, they might look at the valuation. On current year forecasts, BT is trading on around five-and-a-half times enterprise value to operating cash flow - in line with its sector. But it should produce double-digit earnings growth from 1999 as the merger and its other investments bear fruit. The recent strong share price performance has further to go.

FTSE Eurotrack 200: 2207.9 (+1.7)



Woods is black, but that he's young. For merchandise sales to really take off, young people have to identify with the sport - to believe it is "cool".

Woods believes he has already made it so. But the risk for golf is that formidable barriers - cost, time, elitism and difficulty - will quench the enthusiasm of young entrants. Traditionalists would have it no other way. But if Woods is to be a bankable proposition for golf at large, it needs to turn a friendlier face to the public. There are some encouraging early signs: companies such as Family Golf Centre in the US and Clubhouse in the UK have achieved success by broadening golf's appeal - making it cheaper, more of a family destination, and less daunting to duffers. After all, there are more of them than there are Tiggers.

Golf

Apart from the young man himself, who stands to gain from the phenomenon that is Tiger Woods? Certainly, he is fantastic news for golf. He has added hugely to the sport's visibility. This will translate into higher television ratings, larger advertising revenues, increased spending on merchandise and new entrants to the game. But while the rising tide may lift all boats, some will rise more than others.

Sports stars have always been much more saleable than the sports they represent. Tiger Woods will be no exception. His problem will be fighting off suitors. Next in line to benefit will be the merchandisers - particularly Nike and Titleist, his largest sponsors. The key commercial issue here, of course, is not that

Lloyd's of London

Lloyd's of London has not just been busy sorting out its past; this week's plans to strengthen the market's capital base show it has been robustly thinking about the future too. The proposals should bring some badly needed rigour. Syndicates' funds will be put through actuarial solvency tests; reinsurance will be monitored; Names' capital at Lloyd's will be subjected to risk assessment - all this is no more than is needed to turn the market into a credibly-run business. It should not be controversial.

The same, needless to say, cannot be said of the plan to require Names to put up more capital. Some even suspect a dark plot to squeeze them out. But the underlying objective - to strengthen the capital base of the

market as a whole - makes sound commercial sense. And with Lloyd's sporting something of a capacity glut, the harsh truth is it can afford to lose a few Names if that is the price.

Make no mistake, however: the underlying assumption is all too clear. Unlimited liability may have been the bee's knees in the eighteenth century but it is not much of a selling point now. To compete with the world's big insurers a decent credit-rating, one of the intended by-products of Lloyd's current proposals, carries considerably more clout. None of this necessarily makes traditional Names redundant, but it does mean they will have to swallow changes which do not suit them. That Lloyd's is pressing them to do so is to its undoubted credit.

Racal Electronics

Racal is indulging itself. In place of the traditional annual profit warning it has managed to squeeze two into less than five months - and in completely separate parts of the business.

After December's problems in the radio division, the rot has spread to data products, long a problem child. Despite £100m of restructuring charges and trading losses over the past four years, and repeated promises of a return to profits, the operation lost another £5m in the past six months. Mr David Emsbury, Racal's chief executive, blames the latest shortfall on the delayed launch of a new range of computer relays and dismisses it as a blip. But in a fast-moving market like data communications, only those who are first to market make enough money to reinvest in the next generation of products.

Having disappointed yet again, Racal's future as an independent company looks limited. Its investors must be thoroughly fed up: a break-up value, variously put at 200p-350p against a 243p share price, looks superficially appealing, and having just sold his other company, Chubb, Racal's 70-year-old chairman, Sir Ernest Harrison, must be looking hard for a dignified exit. But Racal is composed of so many different businesses that any bidder would have to break it up and laboriously sell on the parts. And at this point Sir Ernest is negotiating from a very weak position. If there is a deal, shareholders should watch out that they are not being sold short.

Lockheed chief to step down

By Christopher Parkes
in Los Angeles

Mr Norman Augustine, the 61-year-old Lockheed Martin chief who inspired the restructuring of the US defence industry, is to give up his role as chief executive this year.

Although he will stay on as chairman, his retirement marks the end of an extraordinary phase in his career from which Lockheed emerged as the world's biggest defence contractor with annual revenues of \$30bn.

Mr Vance Coffman, 53, president and chief operating officer since June last year, will take over as chief executive on August 1.

Mr Augustine's retirement is in keeping with his long-term plans, which are not expected to include operational roles in industry or government.

His main achievement was arranging the friendly 1995 merger of Martin Marietta, which he had built up through acquisitions, with Lockheed.

He became chief executive of the merged group and took over as chairman last December after the retirement of Mr Daniel Tellep, former head of the Independent Lockheed. Subsequent purchases,

including most of Loral Corp, bought for \$9bn last year, galvanised the industry. This culminated recently in Boeing's agreed merger with McDonnell Douglas.

Although completion of the McDonnell acquisition, under fire from European competition authorities, will leave Boeing as the biggest aerospace group, Lockheed is expected to retain the advantage in defence procurement.

Lockheed has won the contract to develop a successor to the space shuttle.

Brussels queries Boeing merger, Page 2

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Markets latest

FTSE 100	4,314.5	(+11.8)
Yield	3.75	
FTSE Eurotrack 100	2,187.85	(+4.12)
FTSE 48 Share	2,088.44	(+2.76)
Nikkei	19,338.14	(+258.73)
New York S&P 500	8,692.80	(+26.60)
Dow Jones Ind Ave	8,692.80	(+26.60)
S&P 500 Composite	785.22	(+4.45)
IN LONDON MONEY		
3-mo Interbank	6 1/4%	
Life long gilt bid	Jun100%	
	(37110.5)	
IN US LUNCHTIME RATES		
Federal Funds	6 1/4%	
3-m Treasury Bill	6.25%	
Long Bond	6 1/4%	
Yield	7.89%	
IN NORTH SEA OIL (Argus)		
Brent Dated	\$17.315	(17.105)
	(17.105)	
IN GOLD		
New York Comex Dec	\$341.8	(342.1)
London	\$341.70	(343.05)

FT WEATHER GUIDE

Europe today

High pressure will bring bright sunny spells to most of the British Isles although the day will start cloudy in western Ireland. The east coast of England will stay cloudy. The Benelux will have sunny periods. Most of France and northern Italy will be sunny. The Iberian peninsula will be unsettled with cloud, rain and thunder in most areas. Southern Italy and Greece will have rain and showers owing to a developing front. Central and eastern Europe will be cool and cloudy with rain in the Czech Republic and southern Poland. Turkey will have ample sunshine.

Five-day forecast

Low pressure will develop in the Mediterranean, resulting in plenty of rain in northern Spain and southern France tomorrow. The rain will spread across Italy towards the Balkans after the weekend. North-western Europe will be settled for the next couple of days.

TODAY'S TEMPERATURES

Maximum	Beijing	14	Caracas	31	Faro	21	Madrid	18	Rangoon	36
	Dubai	34	Casablanca	20	Frankfurt	12	Majorca	20	Raykavik	10
	Accra	32	Berlin	15	Glasgow	13	Manchester	9	Rome	18
	Agila	24	Bombay	20	Hamburg	11	Maria	10	S. Paolo	18
	Amsterdam	10	Dallas	20	Helsinki	8	Mexico City	21	Seoul	20
	Athens	18	Doha	31	Hong Kong	24	Milan	17	Singapore	33
	Bahia	22	Dubai	31	London	14	Montreal	10	Stockholm	14
	B. Aires	31	Dubai	31	Los Angeles	20	Moscow	10	Sydney	22
	Bham	10	Dubai	31	Luxembourg	11	Munich	11	Taipei	21
	Bangkok	28	Dubai	31	Madrid	18	Nairobi	11	Tokyo	18
	Barcelona	18	Dubai	31	Manila	24	Naples	17	Toronto	17
			Dubai	31	Medan	24	Nassau	27	Vancouver	11
			Dubai	31	Mexico City	21	New York	12	Venice	15
			Dubai	31	Montreal	10	Nice	18	Vienna	11
			Dubai	31	Moscow	10	Osaka	21	Warsaw	8
			Dubai	31	Munich	11	Paris	14	Washington	16
			Dubai	31	Nairobi	11	Perth	24	Wellington	14
			Dubai	31	Naples	17	Prague	7	Winnipeg	11
			Dubai	31	Nassau	27			Zurich	11

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